

# Corporate Responsibility Report 2017/2018

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Corporate Responsibility

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## Welcome to the corporate responsibility portal 2017/2018

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

# 2018



### Statement by the CEO

Joachim Wenning on the latest developments and strategic decisions in the field of sustainability.

[Statement by the CEO](#)

### Strategy

The Group-wide corporate responsibility strategy and Munich Re's shared value approach.

[Our guiding principles](#)

### Stakeholder dialogue and material topics

Involvement of our stakeholders and sustainability topics of relevance for Munich Re.

[Stakeholder dialogue and materiality](#)

### Responsibility

Responsible corporate governance in our business operations and for the benefit of employees, the environment and society.

[Corporate responsibility in business](#)

### Facts and figures

Indicators and reports on sustainability.

- [Environmental indicators](#)
- [Employee indicators](#)
- [Social Impact Indicators](#)



### Sustainable solutions

An overview of Munich Re's sustainable solutions and services.

[Sustainable solutions](#)

### Quick Links

- [Contact and feedback](#)
- [About the CR portal](#)
- [GRI Content Index and UNGC COP](#)

### Download

- [Factsheet Corporate Responsibility \(PDF, 2.3 MB\)](#)

### Current news

16 May 2018

Corporate Responsibility Portal update 2017/2018

18 December 2017

Climate-KICs Accelerator: second MR / ERGO sidecall kicks off

7 December 2017

Solarkiosk opened in Kenya – Another milestone of the "Tackling climate change together" initiative

8 November 2017

Joint development of an innovative risk transfer mechanism by One Acre Fund, Munich Re and sfr-consulting

16 October 2017

Munich Re and ERGO expand their commitment to climate protection

[News archive](#)

## Strategy

### [Statement by the CEO](#)

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[Strategic topic climate change](#)

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[Strategic topic risk awareness](#)

## Ladies and Gentlemen,

For us, acting responsibly means creating value for the Group and for society at large. This position is reflected in our corporate responsibility strategy, which is based on the shared-value approach. Our goal is to apply our knowledge as well and as consistently as possible in this regard.

Indeed, we have been studying natural disasters and climate change for over 40 years now. Our extensive knowledge of geophysical-, weather- and climate risks enables us to develop standardised and tailor-made risk-transfer solutions for our clients. Insuring against weather risks and crop failure is one example of how we play a role in mitigating the effects of climate change. Moreover, we actively contribute to climate protection by developing innovative insurance for new, post-carbon technologies.

Our initiative "Tackling climate change together", launched by Munich Re and ERGO in October 2017, is a perfect match to this approach: it promotes new, climate-friendly ideas from the start-up sector through the EU's Climate-KIC accelerator programme. Here, young entrepreneurs are provided not only with financial support, but also with personal mentors from among our experts at Munich Re and ERGO. The initiative's second component is our funding of Solarkiosk, a company that provides people living in the remote regions of Africa with solar electricity generated by "E-HUBBs". The first of these have already begun operating in Kenya.

We also live up to our corporate responsibility in our core business as worldwide reinsurers and primary insurers, systematically integrating sustainability – i.e. environmental, social and governance criteria – when creating value. Furthermore, we have adopted a Group-wide Code of Conduct for responsible and sustainable decision-making in line with the ten principles of the United Nations Global Compact (UNGCG).

In addition to the UNGCG, we are also committed to the Principles for Responsible Investment and the Principles for Sustainable Insurance, thus going beyond regulatory requirements. Part of our overall strategy includes the consistent implementation of our environmental and climate-change policies, as well as our goal of carbon neutrality, which we have already met.

We at Munich Re take on responsibility, both as a Group overall and through each individual employee in their respective field of competence. I invite you to visit our Corporate Responsibility portal for concrete examples and a description of the projects we supported this past year.

I wish you an interesting and informative read.

Best regards,

Joachim Wenning

GRI: G4-1

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Dr. Joachim Wenning  
Chairman of the Board of Management  
Munich Re

### Related topics

[Our guiding principles](#)

## Strategy

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# Our strategy: **Company success** ~~and through~~ **responsibility**

### Related topics

[Our voluntary commitments](#)  
[Organisational positioning](#)

### External links

[Sustainable Development Goals](#)

## Turning risk into sustainable value

Acting in a responsible manner while at the same time creating added value for the Group and for society is Munich Re's guiding principle. We implement this maxim throughout the Group through our corporate responsibility strategy, which we have geared to the shared-value approach.

### What we stand for

As a primary insurer and reinsurer, the professional management of risks is part of our day-to-day business. Not only our clients but also society benefit from our broad knowledge of risks, our experience on all global markets, and the use of the latest insurance techniques to calculate risks. We apply our expertise and practical solutions in order to reduce risks and make it easier for people to start again following major losses. In this way, we create social and economic added value.

### What we aim to achieve

We operate in an extremely dynamic global environment in which not only natural catastrophes but also – increasingly – complex new risks can lead to high losses. However, many of these risks cannot yet be calculated and are therefore not 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 identify previously unknown risks early on and calculate their extent in detail. From this we develop insurance solutions that extend the limits of insurability and so create sustainable value for everyone. For example, following disasters, economies recover more quickly in countries with a higher insurance density.

### We set the following priorities

We have further developed our Group-wide corporate responsibility strategy and geared it to the shared-value approach. This means that, as part of our business activity, we want to combine economic and social progress in order to meet major global challenges. According to the 2030 Agenda for Sustainable Development, which was adopted in 2015 by all the member states of the United Nations, such global challenges can only be solved by working together. In order to achieve this, the Sustainable Development Goals (SDGs) were developed which take account of the economic, social and ecological dimensions of sustainability. We let ourselves be guided by these SDGs when developing our new strategy. We thus identified for our Group the following three challenges, which are of particular importance for us as a corporate entity, for our clients and for society at large:

1. mitigating the effects of climate change,
2. improving access to healthcare and
3. enhancing risk awareness.

With these topics and the fields of action we have identified as material, we are contributing to the achievement of the following six SDGs in particular:



Source of Pictograms: UN, License: CC BY-SA 3.0

We have the relevant skills, resources and the necessary risk expertise to develop new, increasingly digital solutions and exploit business opportunities. Working closely with recognised partners, we generate added value by bringing in not only financial resources but, in particular, our know-how. To measure the impact of our actions, we have defined appropriate performance criteria for the three dimensions of business, society and employees.

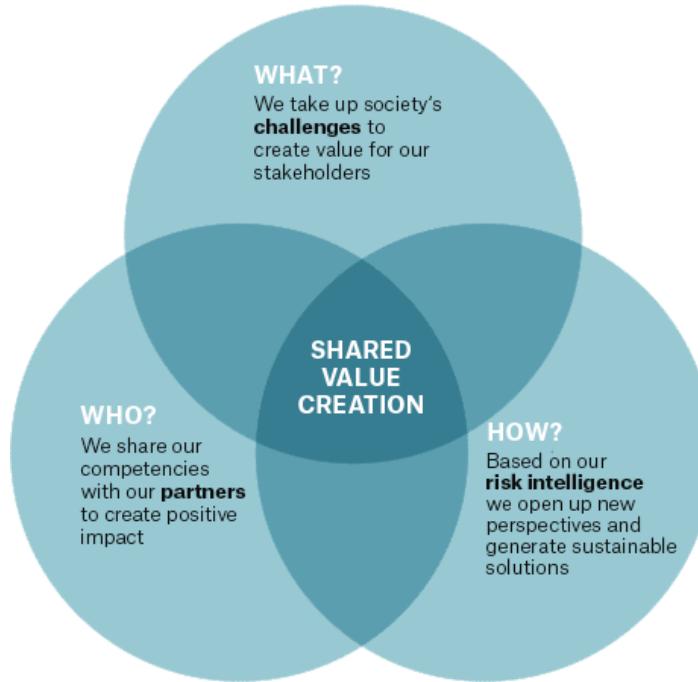
### How we go about this

In the area of corporate responsibility, we focus on four fields of action:

- **Corporate responsibility in business:** We proactively consider environmental, social and governance (ESG) aspects in our insurance business and investment management.
- **Environmental management:** We have built up a Group-wide environmental management system and our operations have been carbon-neutral since 2015.
- **Social impact projects:** With our social commitment, we play our part as a responsible Group and place the emphasis on projects that are close to our core business.
- **Reporting and communication:** We regularly and transparently report on our activities and successes. We are also in continuous dialogue with our stakeholders, in order to better understand their requirements and needs.

Our voluntary commitments such as the ten principles of the UN Global Compact, the Principles for Responsible Investment and the Principles for Sustainable Insurance form the basis of our actions here.

The following diagram presents our Group-wide shared-value approach



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

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### Related topics

[Organisational positioning](#)  
[CR in investment](#)

### External links

[UNEP FI](#)  
[United Nations Global Compact](#)  
[Principles for Responsible Investment \(PRI\)](#)  
[Principles for Sustainable Insurance \(PSI\)](#)

## 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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## Organisational positioning of corporate responsibility

Group-wide corporate responsibility strategy and activities are bundled in the central division “Economics, Sustainability & Public Affairs”, which reports directly to the Chairman of the Board of Management.

The central division “Economics, Sustainability & Public Affairs” at Munich Re’s head office in Munich performs its tasks at Group level in direct consultation with our primary insurance subsidiary, ERGO. The central division is responsible for establishing guidelines for core activities within our Group-wide corporate responsibility strategy. At ERGO, the topic is based in the Corporate Communications department, and is 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 set up at the beginning of 2013 to steer and coordinate the strategic development of sustainability activities throughout the Group. The Committee is composed of the relevant senior managers in the Group functions Group Compliance, Group Communications, and Corporate Underwriting, and in the business fields ERGO and MEAG. 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 environmental, social and governance (ESG) aspects.



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

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## Strategy

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### Related topics

[Voluntary commitments](#)  
[Tackling Climate Change Together](#)

### Download

[Objectives and measures 2018 \(PDF, 40 KB\)](#)

## Our objectives and measures

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

We are concentrating on four fields of action 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, Principles for Sustainable Insurance (PSI), Principles for Responsible Investment (PRI) and United Nations Global Compact:

- We actively embrace environmental and social factors, and aspects of corporate governance (ESG aspects) along the value-added chain in our insurance business operations and investment management.
- We practice active environmental management at our locations, and are carbon-neutral Group-wide.
- 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 communicate about our corporate responsibility activities transparently both inside and outside Munich Re.

You can download a detailed catalogue of measures along with our target plans as a [PDF file \(PDF, 40 KB\)](#).

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

**2017** Under the slogan "Tackling Climate Change Together", Munich Re and ERGO expand their joint commitment to climate protection. Since October 2017, Munich Re and ERGO have been in a three-year partnership with Climate-KIC and SOLARKIOSK, working to find answers to the challenges thrown up by climate change.

**2016** All guidelines and requirements related to the Principles for Responsible Investment (PRI), and ESG aspects concerning asset management at Munich Re (Group) are summarised in the Responsible Investment Guideline (RIG).

**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** MEAG presents the ESG country rating system for investment decisions

The Group-wide Corporate Responsibility Committee is established to develop the corporate responsibility strategy.

<b>2012</b>	Principles for Sustainable Insurance (PSI) signed.  The reinsurance group and ERGO Germany achieve carbon neutrality.
<b>2011</b>	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.
<b>2010</b>	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.
<b>2009</b>	Founding of the desert-power initiative Dii GmbH (Desertec Industrial Initiative Planungsgesellschaft).  The world's first microinsurance cover against flooding is offered to the inhabitants of Jakarta.
<b>2008</b>	ERGO decides on a corporate responsibility model and draws up a Code of Conduct.
<b>2007</b>	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.
<b>2006</b>	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).
<b>2005</b>	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.
<b>2003</b>	Launch of the MEAG Nachhaltigkeit mutual fund.  ISO 14001 is adopted as a binding standard for the Munich Re (Group) environmental management system.
<b>2002</b>	Munich Re declares its intention to comply with the Government Commission's "German Corporate Governance Code".
<b>2001</b>	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.
<b>2000</b>	Introduction of an environmental management system at the Munich site in accordance with the ISO 14001 standard.
<b>1999</b>	Munich Re joins the UNEP FI (United Nations Environment Programme Finance Initiative).
<b>1998</b>	EMAS (Eco-Management and Audit Scheme) certification for Victoria Versicherungs AG, the first for an insurance company in Europe.
<b>1973</b>	In a publication on flooding, Munich Re warns for the first time about the consequences of climate change.

# Objectives and measures 2018

Version: May 2018

<b>Objectives</b>	<b>Measure</b>	<b>Deadline</b>	<b>Status 2018</b>
Corporate Responsibility in business	Further development of the environmental, social and governance (ESG) framework by – expanding ESG research – offering training for selected groups of staff members – identifying further sensitive topics	2016-2019	Being implemented
	Provision of instruments for ESG assessment in underwriting, client management and asset management	2017-2018	Being implemented Selection of MSCI ESG Research for asset management; integration into investment process
	Determine degree to which ESG research tools and rating can be integrated in reinsurance business	2017-2018	Pilot project in progress
	ESG consultancy in core business and advice on reputational risks (including within the framework of the Reputational Risk Committees)	Annual Ongoing	Being implemented
	Supporting the business in developing the shared value approach via joint pilot projects and client consulting, e.g. offering impact bonds to make cities more resilient	2016-2020	Being implemented
	Development of industry standards in the area of corporate responsibility, as part of our voluntary commitments to the Principles for Sustainable Insurance (PSI), e.g. – “ESG in Surety Bonds” – Project support for the PSI initiative to develop “PSI standards” for property-casualty underwriting	2015-2018	Being implemented Intermediate targets met: – ESG Surety project concluded – Interviews conducted with experts, online survey to follow
	Cooperation with sfr-consulting (a Munich Re subsidiary), also in the context of the Group-wide “Tackling Climate Change Together” project	2017-2019	Being implemented
Environmental management	Implementation of the environmental and climate protection strategy 2020 with the following goals: – 35% reduction in carbon emissions by 2020 (base year 2009) – Maintain carbon neutrality across the Group – Group-wide verification of environmental data, certification of selected units' environmental and energy management systems, and – 100% renewable energy for the Group	2015-2020	Being implemented

Objectives	Measure	Deadline	Status 2018
Social impact projects	Implementing Munich Re and ERGO's Group-wide "Tackling Climate Change Together" project – in cooperation with Climate-KIC and Solarkiosk	2017-2019	Being implemented Project launched in October 2017
	Incubation and management of social impact projects	2017-2019	Being implemented
	Introduction of new Group-wide guidelines for social-impact projects	2018	Being implemented
	Further development of the concept for social-impact investments	2018-2019	Being implemented
Reporting and communication	Implementation of our voluntary commitments – UN Global Compact by Munich Re (Group), – Principles for Sustainable Insurance (PSI) and – Principles for Responsible Investment (PRI) as part of the corporate responsibility strategy and the respective reporting on progress	Annual Ongoing	Met for 2017 (incl. PRI A+), being implemented for 2018
	Ensuring good performance in selected SRI ratings, and inclusion in relevant sustainability indices	Annual Ongoing	Met for 2017, being implemented for 2018
	Corporate responsibility elements are taken into account in determining the variable components of remuneration (in annual and quadrennial assessments) for the members of the Board of Management	2018-2021	Being implemented

#### Disclaimer

Münchener Rückversicherungs-Gesellschaft (Munich Reinsurance Company) is a reinsurance company organised under the laws of Germany. In some countries, including in the United States, Munich Reinsurance Company holds the status of an unauthorised reinsurer. Policies are underwritten by Munich Reinsurance Company or its affiliated insurance and reinsurance subsidiaries. Certain coverages are not available in all jurisdictions.

Any description in this document is for general information purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any product.

## Strategy

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- [Strategic topic risk awareness](#)



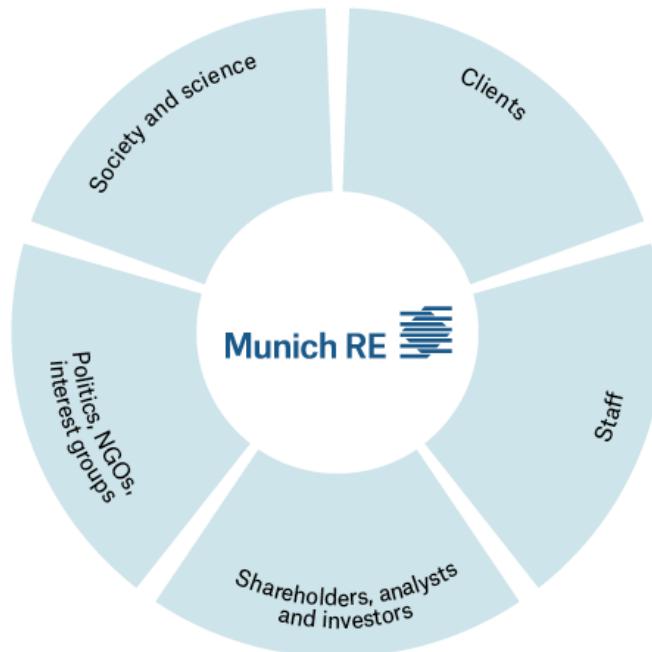
### Related topics

- Topic: Climate change
- Topic: Health care
- Topic: Risk awareness
- 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 efficient 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 (Sustainability, 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 its expertise. Munich Re is an active member of many insurance industry initiatives and associations. [Voluntary commitments](#)

### 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.

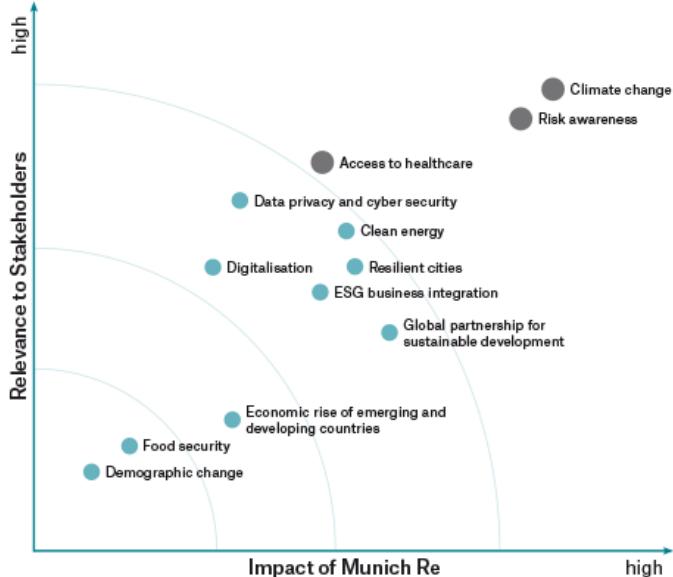
### Materiality analysis – Identifying relevant topics for society and for our Group

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 Corporate Responsibility 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 discuss these with selected internal experts. 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 functions and cross-business-field committees.

In the final step of validation, we again contact selected stakeholders (approx. 40) to rate topics identified as material in the overall process in a quantitative survey. Following an interactive process with all stakeholders, the final outcome is a strategic portfolio of relevant sustainability topics. On this basis, we decide what will be the areas of focus for our corporate responsibility strategy for the next few years. Because our stakeholders' assessments are of great importance to us, we are currently analysing how the process can be improved and potentially expanded in future.

**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](#)

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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## Strategy

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### Related topics

[Sustainable solutions](#)[Topic: climate change](#)[Environmental management](#)

### munichre.com

[Focus topic climate change](#)[Opportunities report 2017 \(PDF, 30 KB\)](#)[NATHAN Risk Suite](#)[NatCatSERVICE analysis tool](#)[Topics Online: All risks at a glance](#)

### External links

[MCII \(Munich Climate Insurance Initiative\)](#)

## 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 and intensity of weather-related loss events and has made use of this knowledge to better assess weather and climate risks and to develop commensurate solutions for them.

The current status of scientific knowledge shows that climate change is happening, and that it can only be mitigated by CO<sub>2</sub>-reduction measures. Our knowledge and our solutions aim to cushion the effects of climate change and help 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. Scientific evidence is becoming increasingly clear that the magnitude of regional events such as heavy rainfall or severe thunderstorms is as growing as a result of climate change. Extreme weather events result in high material damage to buildings and infrastructure, as well as significant crop losses in agriculture. People are killed and injured, particularly in regions where risk prevention is still in its infancy. Moreover, the consequences of climate change are increasingly influencing political discourse and decisions. On the one hand, these consequences 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 taken to address it and on which measures are implemented for mitigation and adaptation. Many studies have endeavoured to estimate the cost of climate change, with very different results. For us as (re)insurers, it means analysing all aspects of climate change, be these the consequences physical and regulatory, or the associated 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, Munich Re had already begun 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 Munich Re. But they are also incorporated into tools for our clients, such as **NATHAN Risk Suite**, a web-based risk analysis tool for natural hazards, or the tool **NatCatSERVICE**, one of the world's most comprehensive databases on natural catastrophes.

### Our actions: Concrete and forward-looking

Climate change places special demands on us as a Group. In 2008, Munich Re developed a strategic approach that illustrates the subject in its entirety and bundles all of our knowledge and skills.

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 a team of experts led by Ernst Rauch, Head of Climate & Public Sector Business Development. Apart from conducting risk analysis, new risk transfer solutions are also

developed here – particularly with regard to the public sector (public-private partnership solutions).

### Concrete, forward-looking solutions

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



### Climate strategy Munich Re (Group)



#### 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 identify the climate change risks that have a direct impact on our business model. Analysis and evaluation of the frequency and intensity of weather-related natural hazards is of great importance here, as is that of 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 Group, 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 and infrastructure projects, 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 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. With our expertise, we are a valuable partner for political decision-makers, organisations and other enterprises.

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 at 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 world climate negotiations (COPs) 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. Munich Re is also supporting the InsuResilience initiative. Founded in 2015 by the G7 countries, the initiative aims to enable an additional 400 million people in developing and emerging countries to access insurance products covering weather and climate risks by 2020.

You can find further information under the headings "[Topics](#)", "[Sustainable solutions](#)", "[Key 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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## 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 care\*\*](#)[Strategic topic risk awareness](#)

Related topics

Topic: Health care

### Health – Sustainable strategies for the health market

To support and participate in sustainable growth in the health markets, Munich Re offers a wide range of insurance solutions and services in primary insurance and reinsurance.

The global health market is expanding. In developing and emerging countries, living standards are improving for broad sections of the population, and with them the number of people with health insurance. But this trend is being accompanied by numerous changes. Prosperity alters consumer behaviour, which 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. Taking regular exercise and eating a healthy diet instead of sitting in front of the television with fast food prevents a whole host of illnesses. It is therefore in Munich Re's interest, and that of 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 solutions tailored to the individual needs of reinsurance clients in the different markets.

To this end, experts from our Life and Health Division study disease patterns, apply their medical, biological 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



##### Insurance scheme helps fight epidemics and pandemics

Supported by Munich Re, the World Bank has devised a solution to improve the resilience of developing and emerging countries.

Topic: Limiting pandemic risks



##### Rare diseases

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

Topics: Rare diseases



#### 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



#### The doctor is online

Munich Re's "Digital Doctor" app helps end-customers and primary insurers. It asks about symptoms, determines health data and provides medical advice from a specialist – by phone, through chat or live video.

Topics: The doctor is online

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 care](#)[Strategic topic risk awareness](#)

### Related topics

Topic: Risk awareness

Sustainable solutions

## Taking a conscious approach to risk and providing solutions

Weather extremes are on the increase in many parts of the world, altering the risk of being affected by a natural catastrophe. 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. But even in highly developed markets, natural catastrophes wreak devastation time and again.

Our natural hazard expertise helps enhancing risk awareness in affected regions. We promote a better understanding of the positive effects of loss prevention and insurance, and – in cooperation with partners from science, business and politics – we develop sustainable risk-transfer solutions.

In this way, we help promoting a paradigm shift from the retroactive financing of claims towards risk prevention and loss avoidance. We thus help managing the cost of natural catastrophes more effectively in the 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 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 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 infrastructure, developed various natural catastrophe scenarios from this and derived specific prevention measures for the city. GHI is assisting the city with the implementation of the proposed measures.

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

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##### NATHAN Risk Suite – Assessing natural hazards more accurately

Munich Re's NATHAN Risk Suite supports our clients in assessing 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. The demo version, **NATHAN Light**, can be used free of charge and with no obligation in order to gain an initial impression of its wide variety of applications.

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

With over 40,000 data records, Munich Re's **NatCatSERVICE** is the world's most comprehensive natural catastrophe loss database. Almost 1,000 events are recorded and analysed every year. The information obtained is used to document the scale and intensity of individual natural catastrophes around the world and is then incorporated into the analysis of risks and trends. Since April 2017, this information has been available on Munich Re's website. Using the NatCatSERVICE Online Tool, clients and interested parties can create data analyses according to their own needs.

##### Further information about NatCatSERVICE

##### Agro – Crop failure insurance

In the future, there will be increasing 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. Munich Re, for example, offers 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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## Responsibility

### Corporate responsibility in business

CR in insurance

CR in investment

Sustainable solutions

Munich Re and human rights

Corporate governance

Employees

Environment

Social impact

Foundations



### Related topics

Our voluntary commitments

Objectives, measures and

milestones

Stakeholder dialogue and materiality

analysis

### External links

UNEP FI

UN Global Compact

Principles for Responsible

Investment

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.

We are convinced that only through responsible action can we 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) and the Principles for Responsible Investment (PRI). These two voluntary commitments go well beyond what is required by law or by supervisory regulations.



### Our responsibility in insurance business

Group-wide approach, processes, guidelines and tools: How we put our strategy into practice.

[More on responsibility in insurance business](#)



### Our responsibility in investment

ESG screenings, best-in-class approach, sustainable share funds and investments in 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 solutions and services are geared towards ensuring a sustainable future.

[Munich Re solutions at a glance](#)



### Taking up responsibilities on human rights

Taking a holistic view on risks, sharpening awareness and exchanging information with staff members and business partners – our Group-wide approach includes the responsible consideration of human rights.

[Munich Re and human rights](#)

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## Responsibility

Corporate responsibility in business

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## Corporate responsibility in insurance business

In our insurance business, we make systematic allowance for environmental, social and governance (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, the underwriting risk may increase. This is because, in many cases, there are significant interdependencies. The systematic recognition of ESG aspects enables us to identify these risks and to minimise them in cooperation with our clients. This approach is relevant for our business in three 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 and work with other businesses, associations and non-governmental organisations (NGOs) with these aims in mind.
3. The identification of previously unknown ESG risks can provide starting points for new coverage concepts and product innovations. With our sustainable solutions, we are systematically opening up business opportunities.

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 "Corporate Responsibility in Business" strategy and Board of Management objectives

By corporate responsibility in business, we understand taking appropriate account of ESG criteria in the business fields of primary insurance and reinsurance, and in investment business.

In reinsurance, the emphasis is on the underwriting process and on dialogue with our clients and business partners. 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 – the asset manager of Munich Re (Group) – has the brief to press ahead with the integration of ESG aspects and thus put into practice our **voluntary commitments** as part of the **Principles for Responsible Investment (PRI)**.

The integration of ESG aspects into core business was first included in the three-year targets of members of the Board of Management in 2012. A new remuneration system for Munich Re's Board of Management comes into effect from 2018. In future, ESG criteria will be taken into consideration both for annual and multi-year bonuses when evaluating the overall performance of members of the Board of Management.

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

In 2013, we established a cross-business-field **Group Corporate Responsibility Committee (GCRC)**, which advises the Board of Management on the

### 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](#)  
[ICLEI](#)

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 diagram).

Individual transactions of potential concern are submitted to the **Reputational Risk Committees (RRCs)** which 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 Issues: Munich Re positions and measures

<b>Banned weapons</b> Policy on cluster munition and land mines	<b>Mining</b> Position paper including specific questions on ESG aspects	<b>ESG Tool</b> Assessment of different industries (e.g. engineering business)
<b>Fracking</b> Position paper including specific questions on ESG aspects	<b>Arctic drilling</b> Guideline, risks to be referred to Arctic Drilling Panel	<b>ESG country rating</b> Exclusion of investments in government bonds of substandard countries
<b>Oil sands</b> Position paper including specific questions on ESG aspects	<b>Investments in farmland</b> Mandatory ESG check for investments	<b>Sensitive issues under observation</b> Tax evasion, pulp and paper, palm oil

Source: Munich Re

#### Detailed orientation: Corporate responsibility guidelines, ESG aspects and sensitive topics

In 2012, as the first step towards implementation, we incorporated the Munich Re (Group) commitment to the **Principles for Sustainable Insurance (PSI)** into the preamble to our internal Group-wide risk management manual. This serves as the benchmark 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 aspects (see diagram), which were approved by our Group-wide Corporate Responsibility Committee (GCRC). These ESG aspects apply to insurance and investment business alike.

#### Environmental, social and governance aspects



**Environmental aspects**  
- Pollution  
- Natural resources and biodiversity

**Social aspects**  
- Political environment and public perception  
- Working conditions  
- Health and safety for the community  
- Resettlement of people  
- Cultural heritage

**Governance aspects**  
- Responsible and careful planning and assessment  
- Compliance  
- Consultation and transparency

Source: Munich Re

#### Targeted knowledge transfer: Staff training courses and expert networks

With the approach we take, full responsibility for assessing ESG aspects in business deliberately remains with the business unit concerned. We offer staff members established training courses in handling ESG aspects. These courses are customised for individual industries and regions, and include information ranging from technical implementation of our underwriting guidelines to current sustainability topics. The courses are given by staff members from the Corporate Responsibility Department, and are aimed at managers, underwriters, client managers, business analysts and trainees in the various divisional units. These are also open to all other interested staff members and have become an integral part of our client seminars.

In the reinsurance field, a coordinators' network has been developed for corporate responsibility in business. Almost 600 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, the analysis of ESG aspects has been a standard component in the product development process for private clients since 2014. ESG aspects are also taken into consideration when writing individual risks in corporate client business. In our sales units, the ERGO Compass – a standardised, technically supported guideline for advising clients – ensures a consistently high level of consulting quality.

#### 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 quasi-governmental organisations. The ESG country rating serves as an additional source of information for staff in units that write business worldwide, and offers a quick overview of important indicators.

#### Transforming ESG risks into business opportunities: Innovative solutions

New kinds of risks and global challenges call for new approaches, for example in the field of renewable energies and innovative technologies, in dealing with climate change, or with access to insurance in emerging and developing countries. ESG aspects are also taken into consideration in the development of innovative coverage 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 approach.

You can find detailed information on our [sustainable solutions here](#).

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

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##### 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 the fight against 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.

##### ESG Standard project

With the ESG Standard project, Munich Re is taking part in a further initiative of the Principles for Sustainable Insurance. The project is exploring whether a uniform industry standard for environmental, social and governance (ESG) aspects can be derived from the PSI projects we have already implemented together. As a first step, interviews with insurance industry experts were conducted in 2017. The findings formed the basis of an extensive online survey which is to be targeted chiefly at the participating companies' underwriters. Initial drafts of a common ESG standard will be discussed at regional consultative meetings. The new standard is to be presented in the fourth quarter of 2018, and the objective is for PSI members to actively apply it, and for it to be available to the insurance industry as a whole.

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##### Sustainable urban development – A building block in the 2030 Agenda

In early May 2017, the global network of sustainable cities "ICLEI – Local Governments for Sustainability" held the Resilient Cities conference in Bonn. Munich Re played a significant role in this event, where the Secretariat of the Principles for Sustainable Insurance (PSI) also convened the inaugural Insuring Resilient and Sustainable Cities Summit. The key product of the Summit was the adoption of the "Bonn Ambition": to formulate objectives for the insurance industry by June 2018 to make cities resilient and sustainable and thus contribute towards Goal 11 of the United Nations' Sustainable Development Goals.

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##### Resilience of public infrastructure projects: "City Innovation Platform: African Infrastructure Risk & Resilience"

Together with South African insurer Santam, the Principles for Sustainable Insurance Initiative, **ICLEI** (a network for sustainable development at municipal level), and other partners, Munich Re is working on developing solutions for sustainable urban development. In a **pilot project** with the Tanzanian capital Dar es Salaam, in May 2016 investors, insurers, city officials, project developers, engineers and politicians were brought around a table to develop ideas for more sustainable project planning and better risk management. For the city, this resulted in a better understanding of risks and how to handle them. The partners in the project are now better able to understand the background to urban planning. This project also aims to make this collaboration concept available both to other towns and cities and to the insurance industry as a best practice, and to further develop cooperations between the financial services industry and municipalities.

## Responsibility

[Corporate responsibility in business](#)[CR in insurance](#)[CR in investment](#)[Sustainable solutions](#)[Munich Re and human rights](#)[Corporate governance](#)[Employees](#)[Environment](#)[Social impact](#)[Foundations](#)

### Related topics

[PRI reporting](#)  
[Organisational positioning](#)

### External links

[MEAG](#)  
[Principles for Responsible Investment \(PRI\)](#)  
[All MEAG funds at a glance](#)

## 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 our framework.

Insurance companies are subject to strict security and return requirements. They have to ensure that their clients' money is invested both 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 manage and keep track of investments at all times.

MEAG currently manages a global portfolio worth more than €250bn. In addition to financial considerations, we also take environmental, social and governance (ESG) criteria into account when making investment decisions. The bulk of our investments meet 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 offer.

### Our approach: Responsible Investment Guideline

At Group level, a team consisting of representatives of Munich Re, ERGO and MEAG develops and adapts our strategy for socially responsible investment in line with PRI requirements. Some 100 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 into a Group-wide guideline. The Responsible Investment Guideline (RIG) was extensively revised in 2016 and now summarises all guidelines and requirements related to PRI and ESG concerning asset management at Munich Re (Group). For the asset classes of infrastructure, renewable energies and agriculture and forestry, and from 2018 for private equity, 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.

### Our Responsible Investment Guideline (RIG):

The RIG is applicable to Munich Re, including its reinsurance and primary insurance branches worldwide. It applies to the complete investment portfolio, no matter whether managed by MEAG, any other third party or the company itself. The RIG includes the following regulations:

[1] [...] The majority of the investments in shares, corporate, government or covered bonds, real estate and alternative investments should be invested in assets that are members in one of the established sustainability indices or meet other accepted sustainability criteria. [...]

[2] Munich Re does not invest in companies that produce, trade in or transport banned weapons if such production, trade or transport is

material for the respective company. [...]

[3] Trading and holding investments in food-related commodities (e.g. grains and oilseeds, livestock, dairy, etc.) and related derivatives is not allowed. [...]

[4] The Group Corporate Responsibility Committee (GCRC) evaluates and prioritises sensitive issues for Munich Re (Group). There are position papers in place for the following sensitive issues: oil sands, fracking and mining. All these position papers include specific questionnaires regarding ESG aspects. For arctic drilling there is a position paper and guideline in place. Insurance risks related to arctic drilling are to be referred to an expert team, the Arctic Drilling Panel, for assessment [...]

[5] The position paper and guideline on investment in farmland are to be taken into account as part of the due diligence on investment decisions in relation to farmland. This applies both to investments in funds and to direct investments for the purpose of leasing and/or farming.

[6] Investment in equity shares of companies which generate 50% or more of their entire revenue from coal mining and energy production based on coal is not permitted.

[7] Investments into government bonds and bonds of government-related institutions of countries assessed in a certain category according to Sustainalytics Country Risk Monitor are not permitted.

#### **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 using the internal Munich Re (Group) sustainability country rating, which is based on the Country Risk Monitor of the Sustainalytics rating agency. In cases where countries fail to satisfy our criteria, MEAG refrains from investing in their government bonds or the bonds of quasi-governmental organisations.
- 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 providers of ESG analyses, for example oekom research, for this purpose.
- Real estate: Sustainability is also important for us when it comes to real 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 such investments. For this investment class, we have also defined specific environmental, social and governance aspects (ESG criteria), which form part of the due diligence. In addition to these 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.
- Agriculture and forestry: In the asset class of agriculture and 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.
- Private equity: For private equity investments, we consider in the course of due diligence whether ESG criteria or an appropriate Responsible Investment Guideline should be applied to the target fund.

#### **Enhancement of MEAG's approach to sustainable investment: Integration of ESG**

Since June 2017, MEAG has been working with MSCI ESG Research, a leading provider of sustainability analyses and ratings in the ESG area. The aim of using MSCI ESG Research and MSCI ESG ratings is to further refine and optimise MEAG's approach to sustainable investment. With its high degree of global coverage of the most important asset classes, MSCI supports MEAG in

determining a sustainable investment universe and selecting sustainable individual investments.

The plan for 2018 is to introduce a new, optimised sustainable-investment process in which MEAG's portfolio managers and credit analysts feed ESG criteria into investment decisions in addition to the traditional financial information. The integration of ESG enables a holistic analysis to be performed and the risks and opportunities in an investment to be better understood. It goes beyond conventional financial analysis, helping us to identify risks and opportunities in the ESG area. The integration of ESG results in better long-term investment decisions and optimises the risk-return ratio in our investments.

#### Our investments: Focus on renewable energies

Investments in infrastructure projects focusing on renewable energies are a particularly important aspect of sustainable investment. They have a double leverage effect: by using our risk knowledge to promote both new technologies through investments and innovative coverage concepts, we contribute to the advancement of social developments.

On behalf of Munich Re, MEAG – the Group's internal asset management arm – invests around the world in infrastructure projects such as solar power plants and wind farms. The capital invested (equity and debt) is approximately €1bn. The figure is expected to rise continuously in the next few years.

We will continue to ensure that our infrastructure investments are well diversified, 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 performance

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, the defensive mixed fund MEAG FairReturn and the international bond fund EM Rent Nachhaltigkeit, all of which aim at sustainability:

- **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 performance. The aim of the fund is to achieve attractive growth in value by investing in the international stock markets while respecting sustainability principles. Producers of tobacco and alcoholic beverages, and arms manufacturers are excluded, as are companies in the gambling industry.
- **MEAG FairReturn:** This absolute-return fund, launched in June 2009, aims to achieve constant income together with attractive growth in value in the medium term while respecting sustainability principles. The fund invests primarily in bonds and equities issued by European companies that behave responsibly. Issuers are selected on the basis of their environmentally friendly and socially responsible track record as well as good corporate governance and financial performance. Companies operating in controversial sectors (e.g. tobacco, alcoholic beverages, weapons, armaments and gambling) are excluded.
- **MEAG EM Rent Nachhaltigkeit:** The fund invests primarily in bonds issued by emerging-market countries and companies that have achieved healthy, stable growth and operate in a sustainable way. A best-in-class approach is used to identify issuers that are leaders in applying the ESG criteria. Companies operating in controversial sectors (e.g. tobacco, alcoholic beverages, weapons, armaments and gambling) are excluded.

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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## Responsibility

Corporate responsibility in business

CR in insurance

CR in investment

Sustainable solutions

Munich Re and human rights

Corporate governance

Employees

Environment

Social impact

Foundations



Related topics

CR in insurance

CR in investment

## 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 solutions for renewable energies



We offer innovative insurance solutions tailored to 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 solar module manufacturers and solar farms, fuel cells and LED light technology, and performance guarantees for batteries and bioenergy plants: Our insurance concepts 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 holistic risk management, for example to secure the construction phase, or protect against loss of profits (reduced yield/lack of wind cover) or serial losses, extraordinary 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, which also takes environmental aspects into account.

#### **Our insurance solutions for businesses and consumers:**

- Ensuring businesses' survival in the event of environmental damage:  
European environmental law increasingly holds polluters responsible for causing damage to flora, fauna, bodies of water and soil. In the event of a loss, immense clean-up costs can threaten the very existence of businesses. With comprehensive expert advice and appropriate preventative measures, ERGO's environmental impairment insurance.
- Reduced yield insurance for operators of photovoltaic solar power plants: This innovative extended cover from ERGO offers protection if the expected annual energy yield is not met due to lower global radiation or defective components.

#### **Insurance solutions in other segments and markets:**

- Renewable energy solutions from HSB 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 relation to engineering or performance risks with solar installations.
- Environmentally friendly redevelopment of residential buildings: ERGO's homeowners' comprehensive insurance can also cover the additional costs of ecologically sustainable and energy efficient redevelopment.
- 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.

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#### **Assess risks from natural catastrophes worldwide with NATHAN Risk Suite**



NATHAN (Natural Hazards Assessment Network) Risk Suite supports Munich Re (Group) clients in the assessment of natural hazard risks worldwide – from entire portfolios down to individual risks at address level. Since April 2017, NATHAN has been equipped with additional functions and risk assessment innovations.

The revamped platform connects geospatial intelligence and big data analytics, and allows complex analyses to be carried out in almost real-time. It constitutes a major step forwards: on the one hand, users can analyse much larger volumes of data, and even – for example – upload and screen entire treaty portfolios containing hundreds of thousands of risk locations. On the other hand, they can examine their risk portfolios with previously unparalleled granularity. Underwriters and risk managers, for example, can thus benefit from more rapid and accurate results, which will serve as a basis for calculating premiums, assessing risks, controlling accumulation and improving risk selection.

NATHAN Risk Suite ([munichre.com](http://munichre.com))

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#### **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.

More on the topic can be found here: [Agro](#)

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#### **Microinsurance**



In cooperation with primary insurers, other institutions and international non-governmental organisations, Munich Re and the Munich Re Foundation support the development of microinsurance policies. Successful microinsurance covers must be adjusted to the needs of low-income sections of the population, and protect them against losing their livelihoods. The aim should be to develop a viable and scalable insurance concept that reaches a large section of the population in developing and emerging countries.

Through our commitment to these regions, we are promoting economic development on the ground, and also investing in a growth market – and thus in the future of Munich Re. Among other things, we offer insurance policies tailored to the financial situation and personal circumstances of people in these regions. For example in India, our 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. In the Caribbean, Munich Re is supporting the Munich Climate Insurance Initiative (MCII), which protects the livelihoods of the people on five islands. Reasonably priced policies offer cover against losses from severe storms (e.g. hurricanes) or flooding.

#### Public-sector risk transfer solutions



As part of Munich Re's Public Sector Business Development Initiative, Munich Re experts are supporting supranational organisations and development banks. These organisations and development banks are either our direct clients, or partner us in developing and implementing innovative risk transfer solutions for third parties.

Our experts also advise business units 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:

- **Pandemic Emergency Financing Facility (PEF):** In May 2016, the World Bank announced the launch of the Pandemic Emergency Financing Facility, for which investors and insurers provided risk capacity totalling €425m in June 2017. In the event of an epidemic or pandemic, funds can now be allocated quickly to combating and containing the outbreak, thus effectively reducing human suffering and economic costs. Munich Re supports prolonging the mechanism after 2020.
- **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 Bermuda. The role of the ARC is to assist AU member states in reducing 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.
- **Caribbean Catastrophe Risk Insurance Facility (CCRIF):** Munich Re provided consultancy services supporting the World Bank and the 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.
- The International Committee of the Red Cross (ICRC) has developed the first Humanitarian Impact Bond (HIB) with extensive support from Munich Re's Capital Partners Division, which specialises in alternative risk-transfer solutions. Munich Re has also invested in this programme. Thanks to the HIB, the ICRC can finance the work of rehabilitation centres in central Africa. If these centres create an operational success, investors will receive their initial investment plus a return from Governments supporting the humanitarian activities.



With its focus on risk carrying and risk management, Munich Re delivers individual, sustainable primary insurance and **reinsurance 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.

**Here is a selection of our partnerships and projects:**

At Munich Re, we are 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. Wearables, for example, are being used for diabetes prevention and control. These are body-worn devices equipped with sensors for recording medical signs and communicating these via an app to patients' smartphones. This form of remote monitoring establishes a better healthcare regime for the patient.

The **Digital Doctor App** developed by Munich Re goes one step further. This is a health management app, through which insureds can receive treatment recommendations for symptoms 24/7 worldwide. An intelligent questionnaire enables details of symptoms and medical signs to be obtained and an initial assessment made and, if desired, passed on to a qualified pool of doctors. After examining the data, a doctor provides medical advice by telephone, live video or chat. In addition, medical examination reports, blood counts, X-rays and other relevant documents can be stored for rapid access. The Digital Doctor app is currently being offered to around 5,000 pilot customers for testing. The results of the algorithm currently represent a recommendation which cannot replace a medical consultation.

Smartphones are now part of the day-to-day lives of young people. At the same time, incidences of school bullying increase. Cyberbullying is on the rise as a form of harassment among the youth. D.A.S. Spain wants to help its clients to recognise and take action against cyberbullying and cybergrooming at an early stage. This is why D.A.S Spain has launched D.A.S. **Cyberbullying** insurance and the ProofUp app, supporting children and their parents in these stressful situations. The ProofUp app allows instances of bullying to be recorded. D.A.S. advises parents on how to best protect the children's interests, and also offers a psychological support hotline.

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

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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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## Responsibility

[Corporate responsibility in business](#)[CR in insurance](#)[CR in investment](#)[Sustainable solutions](#)[Munich Re and human rights](#)[Corporate governance](#)[Employees](#)[Environment](#)[Social impact](#)[Foundations](#)

### External links

- [UN Global Compact](#)
- [PSI](#)
- [PRI](#)
- [Charta der Vielfalt \(diversity charter\)](#)

### Downloads

- [Factsheet Human Rights at Munich Re \(PDF, 43 KB\)](#)
- [Statement UK Modern Slavery Act \(PDF, 52 KB\)](#)
- [Code of Conduct \(PDF, 565 KB\)](#)
- [Procurement Principles \(PDF, 77 KB\)](#)
- [Diversity Policy \(PDF, 410 KB\)](#)

## 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 (Group). This is why the Board of Management of Munich Re has confirmed this commitment, stating the Group's position on human rights:

Munich Re (Group) is committed to respecting human rights in line with internationally accepted [human rights principles\\*](#) and the United Nations Guiding Principles on Business and Human Rights. We strive to prevent or mitigate potential adverse human-rights impacts that could arise from our business activities. To systematically identify these, we have defined four dimensions: employees, procurement, (re)insurance business and asset management. For each of these dimensions, we have implemented a set of policies, governance instruments and internal position papers to guide our decision-making and responsible business conduct.

Munich Re (Group) reports on its human rights performance via the Corporate Responsibility Portal, the annual Communication on Progress to the UN Global Compact, and the annual reports submitted under the Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI).

We aim to constantly improve our processes, expand our risk screening, raise awareness among our employees and business partners, and keep them informed regularly. An ongoing exchange with our stakeholders provides important catalysts. Munich Re (Group) offers its staff members, clients, suppliers and other business partners the Munich Re Compliance Whistleblowing Portal, where they can draw our attention to potential compliance breaches.

The following list provides an overview of the most relevant commitments and instruments we have in place to ensure our compliance with human-rights due diligence requirements.

#### Commitments

- United Nations Global Compact
- Principles for Sustainable Insurance (PSI)
- Principles for Responsible Investment (PRI)
- Charta der Vielfalt (Diversity Charter)

#### Codes and policies

- Code of Conduct of Munich Re
- Group-wide Procurement Principles
- Responsible Investment Guideline
- Diversity Policy

#### Governance instruments

- Group Corporate Responsibility Committee
- Reputational Risk Committee
- Whistleblowing Portal

Please find further information about Munich Re's approach to human rights in the [factsheet Human Rights \(PDF, 43 KB\)](#).

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

\*Including the International Bill of Human Rights (incl. The Universal Declaration of Human Rights, The International Covenant on Civil and Political Rights and The International Covenant on Economic, Social and Cultural Rights) and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work

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# Factsheet

## Human Rights

Version: May 2018

### Taking up responsibilities on human rights

We are convinced that our business concept can only be successfully realised in the future through sustainable and responsible action.

Therefore, we are committed to respecting human rights in line with internationally accepted human rights principles<sup>1</sup> and the United Nations Guiding Principles on Business and Human Rights.

The Board of Management of Munich Re (Group) has confirmed this commitment stating the Group's position on human rights, which can be found on the Corporate Responsibility Portal.

Furthermore, our commitment to human rights is manifested in Munich Re's participation in the United Nations Global Compact, which we joined in 2007. Its ten principles are included in our Group-wide Code of Conduct.

As a signatory to the United Nations Global Compact, Munich Re has committed itself to

- support and respect the protection of internationally proclaimed human rights;
- make sure that the company is not complicit in human rights abuses;
- uphold the freedom of association and the effective recognition of the right to collective bargaining;
- support the elimination of all forms of forced and compulsory labour;
- promote the effective abolition of child labour; and
- foster the elimination of discrimination in respect of employment and occupation.

For several years now, Munich Re has been addressing the human rights due diligence in various ways. 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 (Group) has defined four dimensions involved in the management of human rights: employees, procurement, (re)insurance business and asset management. For each of these dimensions, we have implemented a set of policies, governance instruments and internal position papers to guide our decision-making and responsible business conduct.

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 constantly improve our processes, expand our risk screening, raise awareness among our employees and business partners, and keep them informed regularly. An ongoing exchange with our stakeholders provides important catalysts.

### Employees

All of our employees contribute to our success through their skills, performance and dedication. That is why we are committed to investing in their development and provide all staff with equal opportunities and top-quality working conditions. Munich Re not only adapts to the current demands of the labour market, we also understand how to meet the changing needs of our staff. Equal treatment is an inherent part of our corporate culture.

<sup>1</sup> Including the International Bill of Human Rights (incl. the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights) and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

Diversity is also a core value at Munich Re. This is anchored in a Diversity Policy for the entire Group. The different mindsets, cultures and values of our staff are key to Munich Re's success.

Our Code of Conduct and additional self-commitments for responsible behaviour specify that we expect our employees to observe the personal dignity, privacy and personality rights of every individual. We do not tolerate any discrimination (on grounds of age, sex, ethnic origin, nationality, political opinion, race, religion or the like), sexual harassment, other personal harassment, or insulting behaviour.

Development opportunities at work and in private life are important objectives for us. We therefore offer our staff numerous different models of flexible working conditions, attractive working-hours models and needs-based support.

Also, the health of our staff is a matter of priority. Our most important objective is to take preventive measures to protect and promote the long-term health and performance of our employees. Our offerings focus on a wide variety of programmes promoting health and prophylaxis. Munich Re complies with the statutory health and safety requirements conscientiously.

## Procurement

As a global organisation, Munich Re procures many different goods and services throughout the world. Buying at the best total value in terms of quality, time and cost, while ensuring compliance at all times, the procurement functions throughout the Group seek to make a substantial and lasting contribution to the success of Munich Re.

Along the entire value chain, our procurement activities are shaped by a deep sense of corporate responsibility. Environmental, social and governance (ESG) criteria are at the heart of our approach.

We have established Procurement Principles to guide our interaction with suppliers. Accordingly, as a requirement for cooperation, Munich Re also expects its business partners to commit to the principles of the UN Global Compact, explicitly including human and labour rights. Should these principles be violated, Munich Re reserves the right to extraordinary termination of an agreement for good cause.

We treat all suppliers with respect and deal with them honestly, ethically and fairly. In accordance with Munich Re's Code of Conduct and additional self-commitments for responsible behaviour, we conduct business in compliance with all applicable laws and regulations wherever we operate. We believe that buyers and suppliers optimise their working relationship when there is a foundation of trust. In an ongoing relationship, we communicate our expectations openly and share our goals with the supplier.

## (Re)insurance business

Our business, which links us to all sectors of industry and the economy, makes it possible for entrepreneurial risks to be taken. We are conscious of the fact that there are a range of industries and projects that may have a major impact on the environment, local communities and other stakeholder groups. We have therefore established generally applicable environmental, social and governance (ESG) criteria which explicitly include human and labour rights. These criteria help to prioritise industrial sectors with high ESG exposure, thus allowing sensitive business topics to be identified.

The systematic anchoring of those aspects in core business enables us to identify risks and to minimise them in cooperation with our clients. Additionally, in signing up to the Principles for Sustainable Insurance (PSI), we committed ourselves to making allowance for ESG aspects that are relevant for our insurance business.

Our Group Corporate Responsibility Committee (GCRC) – which provides counsel to the Board of Management on Munich Re's corporate responsibility commitments and activities – evaluates and prioritises sensitive issues. The committee has already approved position papers and guidelines on various sensitive topics, which are implemented by the business fields in the form of binding underwriting guidelines, best practices and guidance for our employees.

Our strategic ESG framework is consistently implemented in practice. We therefore provide relevant training for managers, underwriters and client managers in the different divisional units. To promptly identify possible risks, Munich Re has also implemented a Reputational Risk Committee (RRC) in each business field to deal with reputational risk issues that arise in the course of our day-to-day business operations. Employees can refer critical cases to their respective RRC prior to closing a transaction. The committees verify the acceptability of the business transactions and ensure that we do not take operational decisions involving reputational risks and ESG risks.

## Asset management

Insurance companies are subject to strict security and return requirements. They have to ensure that their clients' money is invested both safely and profitably. We take the responsibility that comes with this very seriously. MEAG (MUNICH ERGO Asset-Management GmbH) is the asset manager of Munich Re (Group). In April 2006, Munich Re became the first German company to sign the UN Principles for Responsible Investment (PRI). Since then, the PRI have served as guidelines for our investment strategy, anchoring environmental, social and governance (ESG) aspects more firmly in our investment process.

The major portion of our investments meet sustainable investment criteria, which is manifested in our Responsible Investment Guideline (RIG). In the asset classes of infrastructure, renewable energies, forestry and farmland, we have established an investment process which follows additional important sustainable objectives relating to investment. For example, our guideline and policy "Investment in farmland" includes several aspects of human rights. Additionally, according to our RIG, investments have to comply with the "Policy on banned weapons" and "Ban of trading and holding of investments in food-related commodities". We regularly review our sustainability criteria for all assets, mainly using the ESG criteria of external rating agencies (including ESG criteria, thereby implicitly also human and labour rights aspects).

Wherever possible, we use the know-how of external service providers to ensure the sustainability of our investments. We combine the assessments of these providers with our own investment criteria. Since 2013, our investment activities have taken into account an external ESG country rating that reflects 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 quasi-governmental organisations.

## Grievance mechanisms

Employees have the opportunity to report incidents directly to their line managers, the Compliance Officer or to Internal Audit. To additionally strengthen the compliance system, an independent external ombudsman has been appointed.

Munich Re (Group) offers its staff members, clients, suppliers and other business partners a whistleblowing portal to report potential or actual compliance breaches. Here, relevant information can be exchanged safely and confidentially – globally and around the clock. The compliance units receive this information and are responsible for processing it further. Employees can provide information anonymously or by using their name. If legally possible, anonymity is guaranteed.

The following page provides an overview of the most relevant commitments, policies, governance instruments and internal position papers which are in place to oversee our human rights due diligence.

## Commitments

- Group Position on Human Rights
- United Nations Global Compact
- Principles for Sustainable Insurance (PSI)
- Principles for Responsible Investment (PRI)
- Charta der Vielfalt (Diversity Charter)

## Codes and policies

- Group wide Code of Conduct
- Procurement Principles
- Responsible Investment Guideline
- Diversity Policy

## Governance instruments

- Group Corporate Responsibility Committee
- Reputational Risk Committee
- Whistleblowing Portal

## Position papers/sensitive issues

- Banned Weapons: Binding policy on cluster munition and land mines
- Arctic Drilling: Binding risk assessment by the Arctic Drilling Panel
- Investment in farmland: Mandatory ESG review
- ESG country ratings: Prohibition on investing in government bonds from countries with an inadequate ESG rating
- Fracking: Position paper including specific questions on ESG aspects
- Mining: Position paper including specific questions on ESG aspects
- Oil sands: Position paper including specific questions on ESG aspects
- ESG tool: Rating of risks in different sectors (e.g. major infrastructure projects)

## Contacts



Renate Bleich  
Head of Department  
Sustainability  
[rbleich@munichre.com](mailto:rbleich@munichre.com)

Kerstin Lücke  
Consultant Sustainability  
[klucke@munichre.com](mailto:klucke@munichre.com)

### Disclaimer

Münchener Rückversicherungs-Gesellschaft (Munich Reinsurance Company) is a reinsurance company organised under the laws of Germany. In some countries, including in the United States, Munich Reinsurance Company holds the status of an unauthorised reinsurer. Policies are underwritten by Munich Reinsurance Company or its affiliated insurance and reinsurance subsidiaries. Certain coverages are not available in all jurisdictions.

Any description in this document is for general information purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any product.

# Munich Re's Statement on the UK Modern Slavery Act

This statement is made pursuant to section 54 (1) of the UK Modern Slavery Act 2015 and constitutes Munich Re's<sup>1</sup> slavery and human trafficking statement for the financial year ending 31 December 2017.

## About Munich Re

Munich Re stands for exceptional solution-based expertise, consistent risk management, financial stability and client proximity. This is how Munich Re creates value for clients, shareholders and staff. The global investments are managed by MEAG (MUNICH ERGO Asset Management GmbH), which also makes its competence available to private and institutional investors.

We are convinced that our business concept can only be successfully realised in the future through sustainable and responsible action. Therefore, we are committed to respecting human rights in line with internationally accepted human rights principles<sup>2</sup> and the United Nations Guiding Principles on Business and Human Rights.

The Board of Management of Munich Re has confirmed this commitment in a position on human rights, available on the Corporate Responsibility Portal. Furthermore, Munich Re shows its commitment to human rights by participating in the United Nations' Global Compact, which Munich Re joined in 2007. Its ten principles are included in our Group-wide Code of Conduct.

For several years now, Munich Re has been addressing its human rights due diligence in numerous ways. To identify human rights risks and impacts on our business and to strengthen our management systems we have continuously analysed our sphere of influence. Munich Re addresses human rights from four perspectives: Employees, Procurement, (Re)Insurance Business and Asset Management. For each of these dimensions, we have implemented a set of policies, governance instruments and internal position papers to guide our decision-making and responsible business conduct.

## Employees

All of our employees contribute to our success through their skills, performance and dedication. That is why we are committed to investing in their development and provide all staff with equal opportunities and top-quality working conditions. Munich Re does not only adapt to the current demands of the labour market but we also understand how to meet the changing needs of our staff. Equal treatment is an inherent part of our corporate culture. Our Code of Conduct and additional self-commitments for responsible behaviour specify that we expect our employees to observe the personal dignity, privacy and personality rights of every individual. We do not tolerate any discrimination (on grounds of age, sex, ethnic origin, nationality, political opinion, race, religion or the like), sexual harassment, other personal harassment, or insulting behaviour.

## Procurement

Munich Re procures many different goods and services throughout the world. Buying at best total value in terms of quality, time and costs, while ensuring compliance at all times, the procurement function seeks to make a substantial and lasting contribution to the success of Munich Re. Along the entire value chain, our procurement activities are shaped by a deep sense of corporate responsibility. Environmental, social and governance (ESG) criteria are at the heart of our approach and we expect our suppliers to meet them as well. We have established Procurement Principles to guide our interaction with our suppliers.

<sup>1</sup> Munich Re (Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München)

<sup>2</sup> Including the International Bill of Human Rights (incl. the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights) and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

The principles ensure compliance with ESG criteria and acceptance of the ten principles of the UN Global Compact in our day-to-day interaction with suppliers. To ensure compliance with the UN Global Compact within the supplier relationship, Munich Re implements a Corporate Responsibility (CR) clause into its standard contracts. If we believe the principles of the UN Global Compact have been breached, Munich Re reserves the right to cancel the contractual relationship by way of extraordinary termination for good cause.

## Supplier registration

If a new supplier wishes to do business with Munich Re, it must first complete a supplier registration process. Using a self-disclosure questionnaire, it is requested to provide key information on the subject of sustainability. This voluntary information also addresses aspects relevant for exclusion criteria (refusal to sign the CR clause can be an exclusion criteria). Within the supplier registration process, it is mandatory for the supplier to confirm compliance with the UN Global Compact.

## (Re)Insurance Business

Our business, which links us to all sectors of industry and economy, makes it possible for entrepreneurial risks to be taken. We are conscious of the fact that there is a range of industries and projects that may have a major impact on the environment, local communities and other stakeholder groups. The systematic anchoring of environmental, social and governance (ESG) aspects in core business enables us to identify these risks and, in cooperation with our clients, to minimise them as far as possible.

Munich Re has signed up to the Principles for Sustainable Insurance (PSI) and as such is committed to making allowance for ESG aspects that are relevant for our insurance business. This applies to our products, services and internal processes. In 2013, a Group Corporate Responsibility Committee (GCRC) was established. It provides counsel on Munich Re's corporate responsibility commitments and activities. Moreover, it evaluates and prioritises sensitive issues including human and labour rights aspects.

Also, Munich Re has established a committee for dealing with reputational risks that arise in the course of our business operations. Employees can refer critical cases to this committee prior to closing a transaction. The committee verifies the acceptability of our business transactions and ensures that we do not take operational decisions involving undue reputational risks and ESG risks. Any new topic that emerges as a sensitive business issue in these discussions is referred to the GCRC for detailed assessment and a potential extension of the existing Group-wide policies.

In 2013, we established ten generally applicable ESG aspects which explicitly include human and labour rights. These aspects help to identify industrial sectors with high ESG exposure, thus allowing sensitive business topics to be recognized. This helps our underwriters and asset managers to systematically incorporate consideration of ESG aspects (including aspects of human and labour rights) into the risk assessments. The GCRC has approved position papers and guidelines on various sensitive topics.

In the reinsurance sector our experts for corporate responsibility coordinate the implementation of the Principles for Sustainable Insurance (PSI) and the integration of ESG aspects in our core business. With this in mind, our experts on corporate responsibility provide relevant training for managers, underwriters and client managers in the different divisional units. In addition, a "Corporate Responsibility in Business"-coordinators' network was established in the reinsurance sector and the coordinators were made aware of the topic. More than 600 staff members have been sensitized 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.

## Asset management

Insurance companies are subject to strict security and return requirements. They have to ensure that their clients' money is invested both safely and profitably. We take this responsibility very seriously. MEAG is the asset manager of Munich Re. In April 2006, Munich Re became the first German company to sign the UN Principles for Responsible Investment (PRI). Since then, the PRI have served as guidelines for our investment strategy, anchoring ESG aspects more firmly in our investment process.

The vast majority of our investments meet sustainable investment criteria, as outlined in our Responsible Investment Guideline. In the asset classes of infrastructure, renewable energies, forestry and farmland, we have established an investment process which follows additional important sustainable objectives relating to investments. We regularly review our sustainability criteria for all assets, mainly using the ESG criteria of external rating agencies (including ESG criteria, thereby implicitly also human and labour rights aspects).

Wherever possible, we use the knowhow of external service providers to ensure the sustainability of our investments. We combine the assessments of these providers with our own investment criteria. Since 2013, our investment activities have taken into account an external ESG country rating that reflects 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 quasi-governmental organisations.

## Grievance mechanisms

Employees have the opportunity to report incidents directly to their line managers, the Compliance Officer or to Internal Audit. To additionally strengthen the compliance system, an independent external ombudsman has been appointed.

Furthermore, Munich Re offers its staff members, clients, suppliers and other business partners a whistleblowing portal to report potential or actual compliance breaches. Here, relevant information can be exchanged safely and confidentially – globally and around the clock. The compliance unit receives this information and is responsible for processing it further. Employees can provide information anonymously or by using their name. If legally possible, anonymity is guaranteed.

## Final Remark

We will continue to work on the implementation of the human and labour rights aspects and to consider our obligations under the UK Modern Slavery Act 2015.

Munich, 15 May 2018



Dr. Joachim Wenning  
Chairman of the Board of Management  
Munich Re

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Münchener Rückversicherungs-Gesellschaft  
Königinstrasse 107, 80802 München, Germany

### Disclaimer

Münchener Rückversicherungs-Gesellschaft (Munich Reinsurance Company) is a reinsurance company organised under the laws of Germany. In some countries, including in the United States, Munich Reinsurance

Company holds the status of an unauthorised reinsurer. Policies are underwritten by Munich Reinsurance Company or its affiliated insurance and reinsurance subsidiaries. Certain coverages are not available in all jurisdictions.

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## Responsibility

Corporate responsibility in business

[Corporate governance](#)

Employees

Environment

Social impact

Foundations



Related topics

CR in insurance

CR in investment

## 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.
- **Data protection and security:** compliance with the rules of data protection, information security and confidentiality.
- **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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## Company

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### Corporate Governance

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### Employees

[Corporate Responsibility Portal](#)[Central Procurement](#)[Group History](#)[Corporate Art](#)

# Corporate Governance

## Additional Information

[Dates](#)[Order reports](#)[Articles of Association \(Satzung\)](#)

Corporate governance stands for a form of responsible company management and control geared to long-term creation of value. One of our particular aims in this context is to foster the confidence of investors, clients, employees and the general public. Also of great relevance for us are efficient practices on the Board of Management and Supervisory Board, good collaboration between these bodies and with the companies' staff, and open and transparent corporate communications.

### Our understanding: Corporate governance report

Corporate governance stands for a form of responsible company management and control geared to long-term creation of value.

[more](#)

### Statement on Corporate Governance for the 2017 financial year pursuant to Section 289f and Section 315d of the German Commercial Code (HGB)

This statement combines the Statement on Corporate Governance of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München (Munich Reinsurance Company) pursuant to Section 289f of the German Commercial Code (HGB) and the Group Statement on Corporate Governance pursuant to Section 315d of the Commercial Code.

[more](#)

### Combined non-financial statement

Combined non-financial statement in accordance with Sections 289b(3) and 315b(3) of the German Commercial Code (HGB).

[more](#)

### Declarations of conformity with GCGC (DCGK)

Declarations of compliance by Munich Reinsurance Company's Board of Management and Supervisory Board with the German Corporate Governance Code in accordance with Section 161 of the German Stock Companies Act.

[more](#)

### Articles of Association (Satzung)

The German Stock Companies Act requires joint-stock companies to have Articles of Association. These record such information as the company's name, its registered seat, the amount of its share capital and the number of members of its Board of Management and Supervisory Board.

[more](#)

### Board of Management

All the members of Munich Reinsurance Company's Board of Management, their areas of responsibility and remuneration, at a glance.

[more](#)

### Supervisory Board

All the members of the Supervisory Board, its five committees and remuneration.

[more](#)

### Annual General Meeting

Munich Reinsurance Company's Annual General Meeting allows shareholders to advise and adopt resolutions on important matters affecting the Company.

[more](#)

### Auditors report

Auditor for fiscal year 2017: KPMG Bayerische Treuhandgesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft.

[more](#)

### Co-determination agreement

At Munich Reinsurance Company, the co-determination of employees on the Supervisory Board is duly outlined in the co-determination agreement.

[more](#)

### Compliance

Compliance with applicable laws and internal rules and principles is binding for all employees of Munich Re.

[more](#)

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#### **Financial Crime Management**

The risk of falling victim to financial crime increases with a company's size and the rising complexity of its structures and workflow.

[more](#)

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#### **Munich Re Code of Conduct**

In our Code of Conduct we clearly state our views on corporate integrity, i.e. legally impeccable behaviour based on ethical principles.

[more](#)

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#### **Lobbying**

In the interests of our stakeholders, we contribute our knowledge and expertise to the political decision-making process.

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#### **Data protection and information security**

Compliance with the rules of data protection and information security.

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# Compliance with the rules of data protection and information security

It is essential for Munich Re Group to protect the personal data of our staff members and clients, guard our business and sales partners' corporate information, and our own trade secrets, if we are to be treated as a competent and trusted partner.

The globally binding Information Security Management and Business Continuity Management (ISM & BCM) Policy of Munich Re Group sets out minimum requirements, objectives, responsibilities, processes and reporting procedures for Information Security Management and Business Continuity Management.

Munich Re has to manage an always increasing amount of information and data. The data can be internal data, but also data from clients or other stakeholders. In addition, Munich Re has to provide reliable and consistent information to customers, investors, regulators, etc. Therefore, the use of modern information technology is key to achieving our business goals as a leading financial services company. This requires the adoption of advanced platforms that will allow a secure and flexible processing of data, sharing of information, empowering collaborative interactions, and innovation.

It should be expected that the life-cycles of these platforms are becoming shorter, while the amount of data that is processed, the performance of the Information and Communication Technology systems that are required, and the value of the produced information, are significantly increasing. Munich Re needs to be prepared for this in order to successfully compete in an environment where entry barriers to markets are changing and competition will be more diverse.

The ISM & BCM Policy takes into account the high degree of interdependencies between the two risk management disciplines - Information Security Management and Business Continuity Management. It also helps to ensure that Information Security and Business Continuity fulfil contractual obligations to clients as well as reporting requirements in a constantly changing environment and in times of crises.

The guiding principle of the ISM & BCM Policy is to foster collaboration and permanent exchange between business and central unit stakeholders, information technology, risk management and data protection officers.

This is also in line according to Article 258 of the EU Commission's Delegated Regulation (EU) 2015/35, that an effective system of governance of an insurance or reinsurance undertaking shall

- "safeguard the security, integrity and confidentiality of information, taking into account the nature of the information in question and
  - establish, implement and maintain a Business Continuity Policy aimed at ensuring, in the case of an interruption to their systems and procedures, the preservation of essential data and functions and the maintenance of insurance and reinsurance activities, or, where that is not possible, the timely recovery of such data and functions and the timely resumption of their insurance or reinsurance activities."
- [cited from Article 258 §3 of EU Commission's Delegated Regulation 2015/35]

Furthermore the Code of Conduct outlines essential information for Munich Re's employees:

All staff members of Munich Re Group are bound to secrecy in all company matters, as long as it cannot be assumed that the information is already public. All information is for internal use only and must be handled confidentially, unless it is expressly intended for external publication and has been classified as such. Munich Re has implemented Group-wide organizational processes and technical security measures to protect its confidential information. In addition, we offer regular training sessions and other measures to heighten awareness. These help to ensure that our confidential data is suitably protected against unauthorized access, as well as against malicious use, manipulation or loss. Any supplementary, company specific requirements and internal rules must be observed.

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## Links

[Code of Conduct](#)

## Download

[Excerpt ISM & BCM Policy \(PDF, 1.6 MB\)](#)

# Excerpt/public version of: Information Security Management & Business Continuity Management

Policy of Munich Re (Group)  
Version: April 2018

## Objectives

Information Security Management and Business Continuity Management, jointly referred to as Security Risk Management, shall contribute to:

### Protecting the financial strength of Munich Re

A strong financial position is essential to operate as a (re-)insurance company. ISM aims to safeguard Munich Re from significant financial downfalls, e.g. regulatory fines. A company might face those if sensitive personal data or other highly sensitive information is lost, its Information and Communication Technology (ICT) systems are corrupted, or if financial assets cannot be managed temporarily. The financial impact of managing major security incidents, and recovering data, can also be severe.

ISM and BCM shall enable Munich Re to make full use of the modern digital technologies that are required to offer and manage modern primary and reinsurance products, to increase our potential to write profitable business, and to guarantee our position in the financial services industry.

### Protecting the franchise value of Munich Re

Guaranteeing the franchise value requires the ability to quickly adopt state-of-the art information technology solutions and to cope with the changing expectations of increasingly digitally empowered clients. Thus, the increased dependency on IT-supported processes needs to be managed. At the same time, the risk of system interruptions has to be minimised. The failure of these processes, e.g. inability to assess relevant information, could have a significant negative effect.

ISM and BCM shall support the required measures in order to guarantee the operation of a fully reliable IT infrastructure and proper access to data.

### Protecting the reputation of Munich Re

Munich Re is respected as an insurer and as an expert in managing extreme and special risks. Any significant failure in managing the Group's own risks, e.g. from cyber-attacks, could damage our reputation seriously.

Therefore, ISM and BCM support Munich Re in both the prevention and management of security incidents, as well as the business recovery from emergency and crisis situations.

## Management disciplines

Information Security Management (ISM) covers all measures to protect information (digital and non-digital proprietary and personal information) and to make sure that IT systems are handled in accordance with the defined requirements for

- confidentiality, which means preserving the restrictions on authorised access to information and IT systems and preventing unauthorised disclosure of information and unauthorised use of IT systems,
- integrity, which means ensuring accuracy, completeness, authenticity and non-repudiation (origin and content cannot be denied) of information and accompanying metadata and
- availability, which means ensuring timely and reliable access to and use of information and IT systems as required for business purposes.

Business Continuity Management (BCM) shall increase the resilience of areas and processes within Munich Re Group and its local entities in order to ensure the continuation of business operations through pre-defined procedures in possible emergency or crisis scenarios by ensuring that adequate recovery processes are in place.

Therefore, BCM includes all measures to ascertain the ability of a location

- to act during an emergency (emergency management),
- to recover essential business operations within specified timescales, and to restore operations and office space, IT infrastructure, information and all other necessary resources (recovery management).

## Three Lines of Defence (LoD)

Munich Re applies the concept of "Three Lines of Defence (LoD)" to manage Information Security Risks and Business Continuity Management.

The 1<sup>st</sup> LoD responsibility lies with the operational units (e.g. underwriting, claims handling) and central service units (e.g. IT, facility management). These are generally the primary process owners, have budget responsibility, are the information owners and manage the security relevant processes. They are in charge of the assessment of specific security requirements and make sure that appropriate organisational and technical protection measures are applied.

The 2<sup>nd</sup> LoD responsibility lies with the risk management function; it designs and maintains the governance system for Information Security Risks and Business Continuity Management. It independently reviews, assesses, and challenges the 1<sup>st</sup> LoD design, maintenance and operation of procedures, and measures to mitigate information security risks. The 2<sup>nd</sup> LoD is also responsible to define procedures and measures needed for the emergency and crisis management.

The 3<sup>rd</sup> LoD responsibility lies with the audit function.

## Management Bodies and Roles

The Board of Management of MR AG has the overall responsibility to ensure that business and risk management are adequately organised. A Group Committee decides on fundamental questions of cross-segmental strategic and financial management and on general principles of business policy and administration within Munich Re Group. This importantly includes risk management and risk strategy. Part of its scope is to approve directives for ISM and BCM for the entire Munich Re Group.

The executive board has delegated some responsibilities in the context of ISM and BCM to a Security Risk Committee (SRC). It shall ensure an effective and sound management of Information Security Risks and Business Continuity Management across Munich Re Group.

A Chief Information Security Officer (CISO) and a Chief Business Continuity Officer (CBCO) are nominated. The role owners are primarily responsible for managing the 2<sup>nd</sup> LoD tasks of ISM and BCM on a day-to-day basis.

A Corporate IT Security Officer (CITSO) and deputy are appointed. The CITSO reports about the activities to the Security Risk Committees in each meeting.

Depending on the organisational necessities, at least one individual is appointed as officer, delegate, or coordinator to carry out the tasks of ISM and BCM for a business/service unit or a local entity.

## Information Security Management (ISM) and Business Continuity Management (BCM) Strategy

The Chief Information Security Officer maintains an ISM and BCM strategy. It is regularly updated and describes the core components and the priority topics to assure ISM and BCM as set out by the Security Risk Committees.

The overall objectives of the strategy are to achieve a degree of security maturity that is consistent with the risk appetite Munich Re is ready to take and to provide value to the corporation.

## Contact



Michael Lardschneider  
Group Security Risk Officer  
Munich Re Group  
mlardschneider@municre.com

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## Binding rules of conduct for the Group

Compliance with applicable laws and internal rules and principles is binding for all Munich Re (Group) staff. To ensure compliant conduct, we have created Group-wide rules, minimum compliance requirements and suitable information and documentation systems as prevention and monitoring measures.

Each individual employee at Munich Re (Group) is responsible for compliance. On the basis of our [Code of Conduct](#) and additional self-commitments for responsible behaviour, all staff are obliged to act in an ethical and reliable manner. In doing so, they are to avoid any activity that might harm Munich Re (Group), and are to take business decisions in compliance with legal provisions, supervisory regulations and internal rules. Our managers have a special responsibility to integrate compliance as a fundamental component into the business processes. They have a role model function for their staff and the obligation to ensure that all actions within their area of responsibility comply with the law, statutes and internal rules. All staff receive the Code of Conduct and additional self-commitments for responsible behaviour. Also, an e-learning programme has been developed and made available to all staff.

For us, the full meaning of compliance is not simply adhering to the letter of the law, regulatory requirements and internal rules (in particular, those of the Code of Conduct), but also extends to making decisions and acting in the spirit of compliance. Compliance is therefore a basis for initiating and conducting business transactions, a platform for realising integrity, and a key element in our business processes.

In the primary insurance sector, ERGO is taking a progressive approach: On 1 July 2013, with the aim of establishing a clear business foundation for cooperation with insurance brokers, the ERGO was one of the first companies to commit to the [Code of Conduct for selling insurance products](#) which was initiated by the German Insurance Association (GDV). This voluntary commitment applies to all operational German ERGO subsidiaries that sell insurance products with the aim of ensuring the high quality of client consulting. The appropriate implementation of principles and measures to satisfy regulations was confirmed by an external auditor.

### Group-wide Compliance Management System (CMS)

The compliance function is responsible for specifying the necessary organisational measures for compliance by Munich Re (Group), top and senior management, as well as employees, including monitoring such compliance. For this purpose, the compliance function has set up an appropriate compliance organisation across the Group, which is tailored to the structure, business activities, risks and particularities of Munich Re (Group)'s business model. The Munich Re (Group) Compliance Management System (CMS) is the methodical framework for the structured implementation of early warning, risk control, advisory and monitoring functions Group-wide:

- The early-warning system evaluates the potential impact of any material emerging legal changes on the operations on Munich Re (Group). Therefore, Munich Re (Group) companies regularly report on changes in their legal environment (legal change risk).
- Risk control duties include the identification, assessment, continuous observing, managing, and reporting of compliance risks within Munich Re (Group).
- Monitoring refers to regularly reviewing the adherence to applicable external and internal requirements in Munich Re (Group).
- Advisory means that the Munich Re (Group) compliance function and the Group-wide compliance organisation support and train top and senior management, managers, and employees on how to adequately prevent and respond to violations of external and internal requirements or reputation damaging behaviour.

Our CMS is designed to identify key compliance risks and thus prevent the violation of external and internal requirements and behaviour that puts Munich Re (Group)'s reputation at risk (prevention), to investigate any potential violations that may occur despite appropriate measures (detection), and to sanction and terminate breaches (response). The CMS is based on external standards and has been carefully adjusted to Munich Re (Group) characteristics. It consists of the following seven instruments:

### Related topics

[Financial Crime Management](#)  
[Corporate Responsibility - Corporate Governance](#)  
[Procurement at Munich Re](#)  
[Munich Re – UK Tax Strategy](#)

### External links

[Munich Re's Compliance](#)  
[Whistleblowing Portal](#)  
[United Nations Global Compact](#)  
[GDV: Code of conduct sales force \(German\)](#)  
  
[Downloads](#)  
[municre.com: Risk report \(PDF, 83 KB\)](#)  
[Code of Conduct – Munich Re \(Group\) \(PDF, 565 KB\)](#)  
[ERGO: Code of conduct sales force](#)



- As described above, our **compliance culture** serves as the foundation of our business activities. In accordance with the "tone from the top" principle, our top and senior executives are a living example of compliant conduct. The central standard for our behaviour is our Code of Conduct and additional self-commitments for responsible behaviour, which describe our understanding of values and have also been implemented by our subsidiaries. They contain binding rules for all Munich Re (Group) employees and, together with other policies, guidelines and work instructions, set the limits of our activities. All staff receive copies of the Code of Conduct and additional self-commitments for responsible behaviour. All breaches or incidents are thoroughly investigated and sanctioned within legally admissible limits. The Code of Conduct and additional self-commitments for responsible behaviour are regularly reviewed and amended as needed.
- Our **compliance risk management** is the process to systematically identify compliance risks, analyse, mitigate and observe them Group-wide. Key compliance topics considered are, for example, fraud prevention, financial sanctions, sales compliance, data privacy, and antitrust law. In addition, each Group unit must identify any further compliance risks that are relevant for it, duly assess them, and document this in writing. The results of the compliance risk analysis are used to design the compliance measures. In addition, each unit prepares a compliance plan, which is submitted to senior management. An effective management of material legal changes happens timely to enable the necessary impact analysis and the implementation of adequate measures if necessary.
- **Organisation and procedures:** For us, this CMS-element means the organisational set-up of the compliance function, the Group-wide compliance organisation, and their interfaces. Our compliance department monitors Munich Re (Group)'s compliance activities through Group-wide standards and a network of regional and local compliance officers. This also includes monitoring the handling of compliance topics which are not assigned to the compliance department, but are nevertheless compliance-relevant. We comply with fit and proper criteria when filling key positions.
- We **consult, communicate with, and train** our target groups. Our compliance organisation answers staff questions on compliance matters. In addition, we run regular training sessions on compliance topics, in order to raise awareness of compliance, strengthen the compliance culture at Munich Re (Group), and increase confidence in dealing with compliance risks. For example, for our staff reaching out to customers and business partners we run regular training sessions on compliant handling of gifts and invitations. Our governance training for managers enhances their understanding of compliance and strengthens their cooperation within the governance functions.
- Our **Compliance Reporting** is issued to the Board of Management and the Supervisory Board's Audit Committee ad hoc and quarterly. This includes information on compliance risks and key topics, legal changes, compliance violations and other incidents, the results of special investigations, and any measures implemented, including any sanctions for breaches. For this purpose, we have implemented a reporting process from Group companies to the compliance function. Corresponding reporting to the local management and supervisory bodies is also performed at the Group companies themselves.
- Our **monitoring** includes the regular review of controls implemented to mitigate compliance risks and to the assessment of their design and operational effectiveness. Therefore, we have implemented risk-based monitoring instruments. All units report regularly on both the implementation of CMS standards as well as on significant compliance violations and other incidents, and emerging legal changes. The Supervisory Board's Audit Committee monitors CMS effectiveness including the whistleblowing system.
- **Documenting** the CMS: We document all Munich Re (Group) compliance activities clearly, comprehensibly and transparently. The documentation is reviewed regularly and retained for ten years as a matter of principle.

The scope and extent to which compliance activities for these seven CMS elements are implemented are based on the risk profile of the respective Group company, though minimum compliance requirements are mandatory for every entity.

#### **Direct channels of communication and whistleblower anonymity**

Munich Re (Group) has a Group-wide system for reporting violations of rules and laws. This system enables the Group Chief Compliance Officer (GCCO) to quickly report potential violations to the Board of Management. The GCCO is the first contact for all compliance questions and assists the Board of Management in developing and implementing organisational measures. Staff members can report infringements and violations to Compliance, their line manager, or to Internal Audit. In addition, an

external, independent ombudsman may be contacted. A further whistleblowing channel is available to make the CMS even more robust: A [Compliance Whistleblowing Portal](#) is available to all staff and third parties for reporting compliance violations. Information can be provided anonymously or by using your name. If legally possible, anonymity is guaranteed.

GRI: G4-27; G4-56; G4-57; G4-58; G4-DMA-Procurement Principles; G4-EC9; G4-EN32; G4-EN33; G4-DMA-Supplier Assessment; G4-DMA-Human Rights; G4-HR2; G4-HR3; G4-HR4; G4-HR5; G4-HR6; G4-HR7; G4-HR8; G4-PR6

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## Combatting financial crime concerns us all

### External Links

[Whistleblowing portal](#)

The risk of falling victim to financial crime increases with a company's size and the rising complexity of its structures and workflow. The financial loss and consequences can be devastating for the company's reputation. Munich Re is resolutely countering this risk with an effective system for combatting fraudulent activities.

Financial crime may take on many different guises, ranging from direct asset losses and corruption to manipulation of accounts. Although there is no such thing as complete protection, much can be done to reduce the risks.

A holistic approach in combatting fraudulent activities and comprehensive prevention is of central importance. It is for this reason that Munich Re has assigned these Group-level functions to a separate Group Compliance Department, which underlines the importance of the matter and creates the basis for a stringent procedure across the Group. Our "Policy on Combatting of Financial Crime" contains minimum requirements to be observed by all Group companies. A process of coordination with Group Compliance guarantees adherence to the minimum requirements, but allows some leeway in defining measures, depending on the risk situation and observance of local regulations.

Explicit specifications for the behaviour of employees in handling transactions are included in the measures. Clearly defined processes and responsibilities, effective checks which also monitor the example set by management, in addition to training, heighten employees' awareness of the fact that every single individual can make a contribution to combatting fraudulent activities. If employees notice that something is amiss or their suspicion is aroused, they have the option of contacting the respective persons in Group [Compliance](#) and Group Audit, or their line managers.

### Electronic Whistleblowing Portal

Employees can also turn to our external ombudsman or use the electronic [Whistleblowing Portal](#). Our clients, contractual partners and other third parties can also contact the ombudsman or place a message on the Whistleblowing Portal. Anonymous messages can also be submitted. The system lets the user create a sort of mailbox to allow communication while preserving anonymity. The messages on the Whistleblowing Portal are actioned by the specially trained workers in Group Compliance.

Munich Re also provides training to heighten employee awareness of the subject and the risks, and provide information on hazard characteristics. Training sessions have been developed that are aimed at top management. These are held jointly by Risk Management, Group Audit and Group Compliance.

### Measures to uncover suspicious circumstances

Specially trained staff members in Group Audit conduct appropriate investigations in the event of concrete suspicion of fraudulent activity. A confirmed suspicion always entails consequences. Munich Re tolerates no fraudulent activity, and takes action based on industrial, criminal and/or civil law, depending on the individual case. To supplement the actions outlined, Group Audit supports the Board of Management and managers in their controlling functions, providing auditing and consulting services.

The combatting of fraudulent activities and the enhancement of an effective system have uppermost priority at Munich Re. Our system is thus subjected to continual monitoring, and to ongoing development on the basis of the latest findings and trends.

GRI: G4-57; G4-58; G4-DMA-Society; G4-SO3; G4-SO4; G4-SO5

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Plainpicture

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**Related topics**[Compliance](#)

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- [\*\*Central Procurement\*\*](#)
- [Procurement at Munich Re – Reinsurance](#)
- [Archive Conditions of Purchase](#)
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## Procurement at Munich Re

As a globally operating organisation, Munich Re procures many different goods and services throughout the world. By purchasing at best total value in terms of quality, time and cost, while ensuring compliance at all times, the procurement functions throughout the Group seek to deliver a substantial and lasting contribution to the success of Munich Re.

At all locations and along the entire value chain, our procurement activities are shaped by a deep sense of corporate responsibility. Environmental, social and governance (ESG) criteria are at the heart of our approach, and we expect our suppliers to meet them as well.

We have established the following [principles \(PDF, 77 KB\)](#) to guide our interaction with our suppliers. These apply to all business units Group-wide:

**Human Rights**

- **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.

**Environment**

- **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.

**Labour**

- **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.

**Anti-Corruption**

- **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

If you are interested in becoming a supplier of Munich Re, please use the links below to find out more and contact the appropriate business segment.

- [Reinsurance](#)
- [ERGO](#)
- [MEAG](#)

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# 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:

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

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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Königinstrasse 107, 80802 München, Germany

Münchener Rückversicherungs-Gesellschaft  
(Munich Reinsurance Company) is a reinsurance company organised under the laws of Germany. In some countries, including in the United States, Munich Reinsurance Company holds the status of an unauthorised reinsurer. Policies are underwritten by Munich Reinsurance Company or its affiliated insurance and reinsurance subsidiaries. Certain coverages are not available in all jurisdictions.

Any description in this document is for general information purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any product.



Plainpicture

#### Purchase conditions

[General Conditions of Purchase April 2017 \(PDF, 160 KB\)](#)  
[General conditions of contract for the placement of personnel on a contingency basis \(PDF, 105 KB\)](#)  
[Travel expenses guidelines for external service providers of Munich Re \(PDF, 23 KB\)](#)  
[Archive Conditions of Purchase](#)

#### Related topics

[Procurement at Group level](#)  
[Compliance](#)

#### Company

- [Portrait](#)
- [Strategy](#)
- [Board of Management](#)
- [Supervisory Board](#)
- [Corporate Governance](#)
- [Employees](#)
- [Corporate Responsibility Portal](#)
- [Central Procurement](#)
- [Procurement at Munich Re – Reinsurance](#)
- [Archive Conditions of Purchase](#)
- [Group History](#)
- [Corporate Art](#)

## Procurement at Munich Re – Reinsurance

### Overall responsibility

Central Procurement, the central purchasing division of Munich Re, is responsible for the acquisition of all goods and services for the reinsurance group.

Its overarching strategic functions include demand management, category management, supplier management, contract management and ensuring compliant ordering practices (key concepts: risk minimisation, compliance, anti-fraud).

### Our vision

We are procurement professionals partnering on an equal basis with all stakeholders, balancing quality, cost and time, and ensuring transparency and efficiency.

### Different areas of procurement

Munich Re has broken down goods and services into ten sourcing categories:

1. Information Technology
2. Travel Management
3. Facilities & Real Estate
4. Fleet Management
5. Office Support
6. External Resources
7. Marketing Services
8. Transport & Logistics
9. Telecom
10. Financial Services

### Cooperation

We aspire to cooperate with suppliers whose objectives are compatible with ours and who place as much value on sustainability as we do. These standards are detailed in our [Procurement Principles \(PDF, 77 KB\)](#).

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# Geschäftspartner

ERGO ist ständig auf der Suche nach neuen und qualifizierten Lieferanten, die ebenfalls einen großen Wert auf eine langjährige und partnerschaftliche Beziehung legen.

Für die erfolgreiche Zusammenarbeit mit uns ist Nachhaltigkeit und Transparenz entlang der Wertschöpfungskette ebenso ausschlaggebend, wie der Preis oder die Qualität. Diese Grundsätze gelten für alle Geschäftseinheiten unserer Muttergesellschaft **Munich Re**.

Deshalb ist neben dem Ausfüllen des Lieferantenselbstauskunftsformulars ebenso die Einhaltung der Prinzipien des Global Compact und die Zustimmung zur Antikorruptionsvereinbarung als erster Schritt notwendig, um Sie als potenziellen Lieferanten berücksichtigen zu können.

(Excel-Datei)

(PDF-Datei)

(PDF-Datei)

Bitte senden Sie die aufgeführten Dokumente ausgefüllt bzw. unterschrieben als PDF-Datei an:  
[lieferanten-registrierung@ergo.de](mailto:lieferanten-registrierung@ergo.de)

Wenn Sie die Dokumente mittels verschlüsselter zip-Datei senden möchten, teilen Sie uns anschließend bitte das verwendete Passwort telefonisch unter folgender Nummer mit: **0211 477-8170**

## Geschäftspartner IT

Falls Sie an einer Zusammenarbeit mit der ITERGO, dem zentralen IT-Dienstleister der ERGO Group, interessiert sind, nehmen Sie bitte Kontakt mit ITERGO auf.

[Aktionärsrecht](#)[Kompetenz](#)[Nachhaltigkeit](#)[Philosophie](#)[Ziele](#)**Philosophie**

Die MEAG schafft für ihre Mitarbeiter Arbeitsbedingungen, in denen sie ihre Kompetenzen und ihr Know-how zum Wohl der Kunden einsetzen können.

Vor diesem Hintergrund hat die MEAG sechs Basiswerte definiert, die höchstmögliche Qualität im Umgang mit Kunden und Mitarbeitern gewährleisten sollen:

- Unternehmerisches Denken und Handeln
- Kundenorientierung
- Mitarbeiterorientierung
- Teamorientierung
- Ergebnisorientierung
- Offene Kommunikation

**Procurement Principles**

Mit der Einführung der Beschaffungsgrundsätze hat Munich Re die im Global Compact festgelegten Prinzipien der Vereinten Nationen integriert und sich konzernweit für deren Einhaltung verpflichtet. Die Geschäftstätigkeiten und Strategien der sich verpflichtenden Unternehmen orientieren sich an zehn universell anerkannten Prinzipien aus den Bereichen Menschenrechte, Arbeitsnormen, Umweltschutz und Korruptionsbekämpfung. Alle Lieferanten und Dienstleister mit denen die Konzerneinheiten zusammenarbeiten sind aufgefordert, die Prinzipien bei Abgabe von Angeboten und Schließung von Verträgen zu beachten. Die Beschaffungsgrundsätze sind von Munich Re formuliert und gelten analog für die MEAG.

**Procurement Principles**[Seite drucken](#)**Auszeichnungen für die MEAG**

**Capital-Kompass 2018:**  
Höchstnote für MEAG!



Die MEAG wurde vom Capital-Fonds-Kompass des Wirtschaftsmagazins Capital mit der Höchstnote als Top-Fondsgesellschaft ausgezeichnet.

Auszeichnungen in der Vergangenheit sind kein Indikator für zukünftige Wertentwicklungen und Auszeichnungen.

**Telefonzentrale**

Tel.: 089 | 2489 - 0  
Fax: 089 | 2489 - 2555

[info@meag.com](mailto:info@meag.com)

**Pressesprecher**

Dr. Josef Wild

Tel.: 089 | 2489 - 2072  
Fax: 089 | 2489 - 2075

[Presse@meag.com](mailto:Presse@meag.com)

**Unternehmensinformationen****Unternehmensporträt****Verantwortlich für den Inhalt dieser Seite:**

MEAG MUNICH ERGO  
AssetManagement GmbH

Schriftgröße: A A A

## Company

[Portrait](#)[Strategy](#)[Board of Management](#)[Supervisory Board](#)[Corporate Governance](#)[Our Understanding: Corporate governance report](#)[Statement on Corporate Governance](#)[Combined non-financial statement](#)[Declarations of conformity with GCGC \(DCGK\)](#)[Articles of Association](#)[Board of Management](#)[Supervisory Board](#)[Annual General Meeting](#)[Auditors Report](#)[Co Determination Agreement](#)[Compliance](#)[Financial Crime Management](#)[Code of Conduct – Munich Re \(Group\)](#)[Lobbying](#)[Data protection and information security](#)

## Employees

[Corporate Responsibility Portal](#)[Central Procurement](#)[Group History](#)[Corporate Art](#)

## Transparent lobbying activities

In the interests of our stakeholders, we contribute our knowledge and expertise to the political decision-making process. In doing so, we place an emphasis on fairness and transparency.

Unlike the laws of nature, making regulations is a job for people, and is subject to different values and perspectives. In order to draw up new legislative texts, the government constantly draws on the knowledge, experience and assessments of those affected to allow it to reach balanced and appropriate decisions. This may take the form of hearings and consultations, as well as individual discussions.

In the interests of our clients, employees and shareholders, we participate in the political decision-making process. We focus on topic areas that affect our Group and our stakeholders, and in which we possess a level of expertise. It is then up to the decision-makers to weigh our concerns against those of the other parties involved. Thus, the only form of influence is a cogent argument. With many Munich Re concerns, the corporate interest matches the general societal interest, for example in the areas of climate protection and data security, or with investments in infrastructure. Our main focus in 2017 was on the following topics:

- **Digitalisation:** Digitalisation will have a huge impact on nearly every aspect of our business. We support the German government's and the European Commission's digital agenda. As Munich Re aims to be a leading player in digitalisation issues, we are monitoring legal developments closely and use the opportunities given to us to contribute with our expertise and knowledge. Our focus lies on achieving a European level playing field which provides legal certainty whilst being flexible and agile enough to allow for the development of innovative products and services in order to realise the benefits of digitalisation.
- **Global insurance capital standard (ICS):** If properly calibrated and broadly implemented, a global insurance capital standard (ICS) can lead over time to a convergence of existing supervisory frameworks. We participate in consultations on ICS development and contribute to its quantitative testing.
- **Sustainable finance:** We support the development towards more sustainable financing in the EU and the EU Commission's submission of an Action Plan on Sustainable Finance, especially regarding harmonising standards for sustainable investments and adapting the regulatory framework.
- **Climate change:** We support the decisions and actions taken by the Conference of the Parties (COP) at its 21st session in 2015 ("Paris Agreement"). Alongside natural climate variations, we integrate anthropogenic climate effects into our business processes on the levels of risk measurement, business development and asset management. We keep a close watch on all of the different fields that are influenced by climate change and that could have a substantial impact on the financial services and insurance industries. We are also involved in public/private-sector initiatives that are engaged in the development and commercialisation of innovative climate risk insurance solutions both in developing and mature markets.
- **Systemic risk regulation:** Traditional (re)insurance activities are not systemically relevant. Munich Re has not been designated as a Global Systemically Important Insurer (G-SII). Nevertheless, we follow the discussions on the methodology applied in this context and respond to respective consultations.

The Public Affairs department is responsible for lobbying on behalf of Munich Re Group. With its four staff members in the locations Munich, Berlin and Brussels, our activities focus on registering the Group's concerns with governments, national and supranational authorities and other organisations. In addition, our experts in the specialist departments play an active role on the committees of various industry associations, such as the German Insurance Association (GDV), the Geneva Association, the European Insurance Chief Financial Officers (CFO) – Forum, the Chief Risk Officer (CRO) – Forum and in the Insurance Europe Reinsurance Advisory Board (RAB).

Munich Re attaches importance to ensuring its lobbying activities are transparent. We therefore provide details to the transparency register of the European Parliament and the European Commission on focal points, memberships and the cost of our lobbying activities.

## External links

[EU transparency register](#)  
[Social impact in the CR portal \(expenditure lobbying\)](#)

## Company

[Portrait](#)[Strategy](#)[Board of Management](#)[Supervisory Board](#)[Corporate Governance](#)[Our Understanding: Corporate governance report](#)[Statement on Corporate Governance](#)[Combined non-financial statement](#)[Declarations of conformity with GCGC \(DCGK\)](#)[Articles of Association](#)[Board of Management](#)[Supervisory Board](#)[Annual General Meeting](#)[Auditors Report](#)[Co Determination Agreement](#)[Compliance](#)[Financial Crime Management](#)[Code of Conduct – Munich Re \(Group\)](#)[Lobbying](#)[Data protection and information security](#)[Employees](#)[Corporate Responsibility Portal](#)[Central Procurement](#)[Group History](#)[Corporate Art](#)

## Compliance with the rules of data protection and information security

It is essential for Munich Re Group to protect the personal data of our staff members and clients, guard our business and sales partners' corporate information, and our own trade secrets, if we are to be treated as a competent and trusted partner.

The globally binding Information Security Management and Business Continuity Management (ISM & BCM) Policy of Munich Re Group sets out minimum requirements, objectives, responsibilities, processes and reporting procedures for Information Security Management and Business Continuity Management.

Munich Re has to manage an always increasing amount of information and data. The data can be internal data, but also data from clients or other stakeholders. In addition, Munich Re has to provide reliable and consistent information to customers, investors, regulators, etc. Therefore, the use of modern information technology is key to achieving our business goals as a leading financial services company. This requires the adoption of advanced platforms that will allow a secure and flexible processing of data, sharing of information, empowering collaborative interactions, and innovation.

It should be expected that the life-cycles of these platforms are becoming shorter, while the amount of data that is processed, the performance of the Information and Communication Technology systems that are required, and the value of the produced information, are significantly increasing. Munich Re needs to be prepared for this in order to successfully compete in an environment where entry barriers to markets are changing and competition will be more diverse.

The ISM & BCM Policy takes into account the high degree of interdependencies between the two risk management disciplines - Information Security Management and Business Continuity Management. It also helps to ensure that Information Security and Business Continuity fulfil contractual obligations to clients as well as reporting requirements in a constantly changing environment and in times of crises.

The guiding principle of the ISM & BCM Policy is to foster collaboration and permanent exchange between business and central unit stakeholders, information technology, risk management and data protection officers.

This is also in line according to Article 258 of the EU Commission's Delegated Regulation (EU) 2015/35, that an effective system of governance of an insurance or reinsurance undertaking shall

- "safeguard the security, integrity and confidentiality of information, taking into account the nature of the information in question and
  - establish, implement and maintain a Business Continuity Policy aimed at ensuring, in the case of an interruption to their systems and procedures, the preservation of essential data and functions and the maintenance of insurance and reinsurance activities, or, where that is not possible, the timely recovery of such data and functions and the timely resumption of their insurance or reinsurance activities."
- [cited from Article 258 §3 of EU Commission's Delegated Regulation 2015/35]

Furthermore the Code of Conduct outlines essential information for Munich Re's employees:

All staff members of Munich Re Group are bound to secrecy in all company matters, as long as it cannot be assumed that the information is already public. All information is for internal use only and must be handled confidentially, unless it is expressly intended for external publication and has been classified as such. Munich Re has implemented Group-wide organizational processes and technical security measures to protect its confidential information. In addition, we offer regular training sessions and other measures to heighten awareness. These help to ensure that our confidential data is suitably protected against unauthorized access, as well as against malicious use, manipulation or loss. Any supplementary, company specific requirements and internal rules must be observed.

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## Links

[Code of Conduct](#)

## Download

[Excerpt ISM & BCM Policy \(PDF, 1.6 MB\)](#)

## Guidelines for dealing with journalists

[munichre.com](#)

Corporate Governance

Munich Re respects journalists' independence and favours a strict separation of journalism and public-relations work. When we conclude contracts with journalists (whether salaried employees or freelancers) to act as PR consultants, moderators or authors, we ensure that this cooperation does not influence media reporting about our company or issues related to our company.

In Germany, where Munich Reinsurance Company has its registered office, the guiding principles defined in the "DPRG guidelines for dealing with journalists" of the Berlin-based German Public Relations Association (DPRG) and the statutes of the German Council for Public Relations serve as a basis for our cooperation with journalists. These guidelines are in keeping with those of the German Press Council and the recommendations of the Federation of German Industries for combating corruption in Germany.

In order to provide maximum transparency in accordance with the above rules, the names and places of residence of all journalists who have worked for us either on a salaried or freelance basis during the past two years are published here.

Michael Aberger, Munich, Germany  
Paul Begala, Washington, D.C., USA  
Dirk Benninghoff, Hamburg, Germany  
Bärbel Brockmann, Cologne, Germany  
Tucker Carlson, Washington, D.C., USA  
Dr. Melinda Crane, Berlin, Germany  
Doris Eichmeier, Glonn, Germany  
Christoph Fasel, Mössingen, Germany  
Reiner Gärtner, Wangen im Allgäu, Germany  
Dirk von Gehlen, Munich, Germany  
Leticia Gow, Munich, Germany  
Ralf Grauel, Berlin, Germany  
Beate Hoffbauer, Berlin/Cologne, Germany  
Iris Janke, Dusseldorf, Germany  
Peter Kleffmann, Hamburg, Germany  
Olaf Kolbrück, Frankfurt am Main, Germany  
Jennifer Lachmann, Hamburg, Germany  
Adrian Ladbury, Bournemouth, United Kingdom  
Jane Lanhee Lau, Shanghai, China  
Julia Leendertse, Cologne, Germany  
Tobias Mandelartz, Berlin, Germany  
Stefan Merx, Cologne, Germany  
Carl-Eduard Meyer, Hamburg, Germany  
Joachim Müller-Jung, Herschbach, Germany  
Dr. Tanja Neuvians, Heidelberg, Germany  
Dr. Max Rauner, Hamburg, Germany  
Victor Reichardt, Berlin, Germany  
Martin Roschitz, Hamburg, Germany  
Prof. Dr. Konrad Scherfer, Cologne, Germany  
Andreas Schmitz, Munich, Germany  
Andreas Schuck, Munich, Germany  
Harald Schultz, Berlin, Germany  
Dr. Hajo Schumacher, Berlin, Germany  
Heiko Schwöbel, Tübingen, Germany  
Michael Smerconish, Philadelphia, PA, USA  
Jakob Struller, Cologne, Germany  
Sivam Subramaniam, Singapore  
Thomas Trösch, Berlin, Germany  
Anke Trutter, Munich, Germany

Similar policies are in place at our branches and subsidiaries outside Germany.

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## Responsibility

[Corporate responsibility in business](#)[Corporate governance](#)[Employees](#)[Environment](#)[Social impact](#)[Foundations](#)

### Related topics

[Awards](#)[Munich Re career portal – reinsurance](#)[ERGO career portal](#)[MEAG career pages](#)

## Munich Re – a responsible employer

**Competence and know-how are the decisive factors for our success. For this reason, we attach the greatest 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 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 best possible way, and by supporting them with modern and flexible services and benefits. A Group-wide governance framework in human resources work is complemented by individually tailored systems and instruments in primary insurance and 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 and develop 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 and MEAG offer graduates interesting, challenging and widely diversified opportunities to start careers. In autumn 2016, our new International Group Trainee Programme **EXPLORE** was launched across all the Munich Re (Group) fields of business. We also offer employees the option of intelligently combining career and study. Under the relevant links, you will find more information on the development opportunities at Munich Re and ERGO, and on MEAG's mentor programme. We also have a special initial and further training programme to facilitate lateral entry for experienced professionals and experts.

With our development programmes (Group Management Platform for all fields of business, MEAG Young Manager and Hydrogen in the reinsurance group), we provide a thorough preparation for young talented people to assume their first and subsequent management positions nationally and internationally. One example of the effectiveness of these programmes is that throughout Germany in 2017 we were again able to fill over 80% of management posts from among our own employees. In combination with long-term succession planning for current senior management, we ensure that the quality of our managers remains consistently high. Our staff acquire further professional and intercultural skills through rotation within the Group.

We promote our employees' further development through lifelong learning. We offer a wide range of training options in each of our fields of business. These include continually updated e-learning platforms to which Munich Re staff around the world have access.

The increasing digitisation of the insurance industry has been a central focus of our professional training since 2016. In the reinsurance field of business for example, we created the "Digital School", which offers comprehensive training enabling all employees to expand their knowledge of the digital world. Worldwide,

more than 2,000 employees have already taken part in the "Digital Knowledge" training series.

Statistics on training days that our employees have participated in and our expenditure on training can be found at "[Employee indicators](#)".

#### **Performance-based, transparent remuneration**

The remuneration Munich Re (Group) pays to staff is designed to reward the success of every individual and of the Group as a whole. We are constantly refining our holistic remuneration system, thus making a key contribution to successful, value-based corporate governance as well as to staff motivation.

At Munich Re, additional benefits have a long-standing tradition and we attach great importance to them. Membership of our company pension scheme, in particular, is a key part of the attractive package we offer. Munich Re (reinsurance group) 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. In the reinsurance group, we offer all interns an attractive package in excess of the legal minimum wage, even in cases where the Minimum Wage Act does not oblige us to do so. In addition, we employ only registered students as interns and maintain long-term links with particularly successful interns via our "Munich ReMember" programme. ERGO is also a member of the [Fair Company Initiative](#), which is committed to providing internships with fair conditions and real opportunities for graduates.

#### **Balancing family and career**

Munich Re (Group) offers its staff a number of different models and arrangements for flexible working conditions, attractive working hours and needs-based support services. In the reinsurance group, the general "Flexible Working" concept introduced in 2015 offers various ways of giving our employees' greater flexibility in terms of hours and location. Bonuses, for example, can be converted into time off in the form of short sabbaticals to enable employees to benefit from longer periods away from work. In consultation with their line managers, 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 location, 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 Group's premises, contributions to 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 help our staff to return to work following parental 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 for them to return to work after a career break.

For its commitment to its distinctly family-friendly human resources policy, ERGO has already won the "audit berufundfamilie®" (family and career audit) certificate a number of times for all its main administrative centres in Germany. This certificate is awarded by the non-profit Hertie Foundation.

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

You can find more details about our family-friendly services here:

- [ERGO website Creating options](#)
- [Munich Re's career portal under Combining career and family](#)
- [MEAG website Work-life balance](#)

#### **Comprehensive company healthcare management**

Munich Re (Group) is actively involved in promoting all aspects of health. We offer medical care, preventive measures, sport and relaxation programmes far 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 the 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. ERGO offers one of the most extensive corporate sports programmes in Germany under the name "ERGO sports".

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 Institute to provide an extensive 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 corporate healthcare management.

Information on rates of sick leave at Munich Re can be found at "[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 \(PDF, 410 KB\)](#) across the Group in 2011, Munich Re laid the groundwork for an overarching and comprehensive diversity management programme. This 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. Specific measures to achieve our diversity targets are implemented for each field of business – across primary insurance, reinsurance and MEAG.

Key areas for us: 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 the 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 and employee assistance programmes, we wish to fully integrate employees of every age throughout all stages of their career.
- Internationality: We seek to diversify the composition of our teams, fill key functions with international staff, and increase our international expertise at the individual level – for example, by offering foreign assignments worldwide. In 2017, approximately 70% of the participants in our Hydrogen reinsurance talent-promotion programme came from our international organisation.

Specific measures to achieve our diversity targets are implemented for each field of business – across primary insurance, reinsurance and MEAG. 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.

GRI Content Index: G4-10; G4 DMA Market Presence, G4 DMA Labor Practices and Decent Work; G4-LA2; G4-LA3; G4 DMA Management 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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## Munich Re as an employer

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Award



Munich Re has been awarded a learning prize for its innovative learning concept. Learn more.

So many challenges



Discover careers in reinsurance

Co-operation partner



Get to know one of Munich Re's co-operation partners, ESMT European School of Management and Technology.

## Further training and development opportunities

Competence and its cultivation is not an end in itself. After all, the competence of our employees is essential to our success on the market and is of vital importance to us. It determines how we present ourselves to our clients and applicants. It sets us apart from the competition and drives us to develop new and better solutions. Our learning concept SHIFT focuses on transferring learning results onto the job. For this best-in-class concept we have been awarded the excellence label of the German Education Award (Deutscher Bildungspreis) in 2013. This shows that we are prepared to invest a considerable amount in creating and fostering the competence of our employees. In return, we expect that our employees utilise their know-how to help the company reach its goals and share their knowledge with colleagues.

### Integration and mentor programme

Getting off to a good start is crucial. This is all the more true in the reinsurance business with its complex set of requirements. Requirements that can only be learned through practice. We help you get off to a perfect start with a comprehensive familiarisation programme from the very beginning.

A mentor will accompany you during this time and share his or her experiences with you. You can also quickly make new contacts at our introductory events and get to know the company and its employees on a personal level.

Special training sessions for creating the required technical, methodical and social competences prepare you for your tasks and provide you with the necessary insight into the reinsurance business.

We also organise informational visits to different departments and invite you to subsidiaries and partnered companies both nationally and internationally as necessary.

### Further education

We support you in your professional development with numerous opportunities for further education. We also expend substantial personnel and monetary resources to provide you with courses, seminars specific to your field as well as foreign language training courses, which get you ahead in your career and consequently contribute to the company's success.

For instance, we counted a total of 14,352 further training days at our Munich office alone in 2012 covering topics from management development to training and further training for specific professional fields. For us, further training doesn't just mean seminar learning. Our further training experts have used combined learning forms for years with great success. They consist of self-learning phases (e.g. using e-learning modules), in-class units and transfer measures. These learning forms ensure that the material learned can be applied to a much greater extent and as a result, significantly increase the on-the-job utility of the learnings. This special focus on learning transfer and sustainable learning has impressed the jury of the German Education Award (Deutscher Bildungspreis); thus Munich Re was awarded the excellence label for best-in-class further education. However, further training may also mean refining new solutions in a work group or in connection with specific objectives, managing professional groups formed across departments and networking with experts within and outside of the company.

Everything that develops your competence further is welcome as long as it contributes to finding even better solutions. We of course also support further training measures planned over a prolonged period of time such as part-time study programmes or certified training programmes. Actuary training is a prime example of this.

### Performance management

Defining individual objectives, evaluating performance and developing prospects for the further course of a career – that is what our worldwide performance management process does. In performance management, your goals are clearly defined, evaluated by management and your performance is rewarded financially. Your goals always coincide with business targets, meaning that you are also working towards the success of the whole.

What makes the process so unique? Open communication and objective feedback – what better way to cultivate your competences?

Performance and development are the product of our corporate culture, which is defined by fairness and transparency. Performance management applies these values in direct dialogue – a basis for many instruments used in personnel development, with which we strategically support you.

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## Munich Re as an employer

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### Jobs & applications

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## Diversity

Diversity is one of our hallmarks – and one of our success factors. This particularly concerns our employees. We understand diversity as bringing different ways of thinking, mentalities, experiences and specialised knowledge together through lively interaction. This interaction creates the basis for an open corporate culture in the spirit of partnership, which lives tolerance and fairness, creates a climate of trust and offers possibilities for individual development.

Our personnel strategy follows the principles of equal opportunity: we have zero tolerance for any kind of discrimination whether on the basis of age, gender, origin or otherwise.

As a globally operating Group, we are committed to the topics of gender, age and internationalism.

For this reason, we are dedicated to increasing the number of women in managing positions to 25% at Munich Re Munich by 2020, among other things. The mix of generations in our workforce enriches professional life, promotes mutual learning so that all employees can benefit from the cooperation.

Internationalism defines our business – after all, we serve over 5,000 clients around the world. That's why 67% of our employees work at our international locations with a large number in North America. On the other hand, 9.3% of our employees working in Germany come from other countries. This has a positive influence not only on day-to-day business, but also on international customer relations. We strive to expand this internationalism.

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# Diversity: creating value by valuing people

**Our employees' wide range of qualifications, experiences and ways of thinking are of great benefit to ERGO. We want to support and promote this diversity and our employees' potential as an integral part of our corporate culture.**



ERGO is a signatory to the “Charta der Vielfalt” (Diversity Charter). Signing this charter represents a commitment to creating a working environment free of prejudice and exclusion, in which employees can experience being valued, regardless of their gender, nationality, religious beliefs, disabilities, age, and sexual orientation or identity. Our Code of Conduct, which applies to all employees at all levels of the Company, underlines our commitment to diversity. The Code requires all employees in Germany and abroad to observe a set of fundamental rules and principles in their behaviour, and includes a ban on all forms of discrimination, as well as regulations for reporting violations.

We place particular emphasis on enabling people with disabilities to take a full and equal part in the world of work and support them in their working lives. We demonstrate this commitment by means of a Group-wide company agreement on inclusion of people with disabilities in the workforce and our work, characterised by appreciation and respect for our colleagues, with our representative body for disabled employees.

ERGO takes different stages in the life of its employees into account and supports the development of their individual potential with a broad range of measures since we believe that a diverse workforce contributes significantly to our Company's overall business success. Since 2002, ERGO has had an Equal Opportunities Officer whose role is to represent employees' and specifically women's interests. She also provides advice to HR managers at all locations.

With various measures, our Diversity Management team supports a culture of diversity that is characterised by respect, equal opportunities and a working environment free of prejudice. Our activities – in particular our annually held dialogue formats – are targeted at increasing general awareness in dealing with diversity and supporting a constructive exchange on its different aspects.

The issue of intergenerational working will become increasingly important over the next few years due to the demographic development. In “Generation Workshops”, employees in all age groups tried to identify the individual needs of employees from different age groups and possible solutions to meet them. Making work more flexible as well as building intergenerational tandems are some of the measures to this end.

## Career support for all and specific mentoring

The “Diversity” team has initiated a series of measures intended to sustainably promote women’s career progress within our Company. Since then, the share of women in management positions has steadily increased: At the end of 2016, 24.3 percent of employees in the management in Germany were women. Our objective is to increase this proportion to at least 25 percent by the end of 2020.

Another important project related to women's career advancement in our Company is our mentoring programme, aimed at female employees with the potential to rise to management positions. Participants have the opportunity to work on their personal development with experienced executives, primarily from the Board of Management.

In 2016, ERGO was awarded the signet “top4women” by the “women&work” careers fair, Germany’s biggest careers fair for women, for the second time. The signet honours the Company’s efforts to support women in their work and professional development. The Jury saluted the commitment to a family-friendly HR policy and acknowledged the large number of tools and models for getting the work-life balance right.

Different life phases or sudden upheavals in the family always exert an impact on an individual’s working life. As far as ERGO is concerned, diversity is therefore also about creating options for relieving the pressure in this field of tension. Our family-oriented HR policy and our measures to balance work and family life have been regularly evaluated and documented by the “work and family” audit since 2002. In 2016, ERGO received the certificate of the German non-profit foundation Hertie-Stiftung for the fifth time.

## Qualification and awareness

Senior executives in Germany can take part in a two-day workshop “Success factor diversity”. Since 2017, they may also book half-day trainings to raise their awareness for dealing with diverse teams. In addition, the seminar “Embracing diversity” is a standard component in our vocational training, including the three modules “Group social expertise”, “Awareness for differences” and “Practical project work”. In 2012, it was rewarded the training price “Inno-Ward” by the German Insurance Association for Vocational Education and Training.

Similarly, our sales markets are also becoming ever more diverse. We believe that only those companies whose workforce is appropriately diversified to appeal to a similarly broad range of customers, perform to their satisfaction and retain their custom will be able to succeed in the market of the future. Consequently, we are planning an exchange on dealing with diversity with the members of our ERGO Customer Advisory Board in 2017.

“ For us, diversity is more than just a buzzword that will disappear off the agenda again within a short space of time. Diversity is a question of attitude, and it's impossible to change attitudes and behaviour overnight or by means of one single campaign. We will only see real change by means of a change management process put in place with systematic support, featuring a wide range of activities and initiatives, and with a large number of our colleagues on board. ”

Dagmar Brück, Head of Change and Diversity Management

## Responsibility

[Corporate responsibility in business](#)[Corporate governance](#)[Employees](#)[Environment](#)[Social impact](#)[Foundations](#)

### Related topics

[Environmental indicators](#)

### Download

[External verification environmental data 2017 \(PDF, 37 KB\)](#)[External verification environmental data 2016 \(PDF, 14 KB\)](#)[External verification environmental data 2015 \(PDF, 137 KB\)](#)

## Environment and climate protection at Munich Re – systematic and targeted

A key component of our Group-wide environmental and climate protection strategy is the continuous reduction of our consumption of resources and the resulting carbon emissions. With our internal environmental management system, we set out the structural framework for measuring the material direct impact of our business operations on the environment and climate, and continuously realising improvements in this area.

### Our strategy

In 2012, Munich Re (Group) 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 use to determine our carbon footprint. In addition, our EMS describes the processes required for this, and also the organisational responsibilities. In 2017, 83% of our staff members were working at sites integrated in the EMS. 38% of Group employees work in companies that are certified to the DIN ISO 14001 standard by an external auditor.

At Munich Re (Group), the full Board of Management is responsible for the Group-wide environmental and climate protection 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. Joachim Wenning. Anja Hirsch, Consultant Corporate Responsibility, in the central division Group Development, is the designated environmental officer. The Group Committee determines the Group's environment and climate protection strategy. Environmental managers at Group level handle implementation of the strategy, of the environmental management system, and of 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 in the assessment of 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 confirms that we have met our objectives for environmental figures in 2017 throughout the Group (see downloads).

### Our objectives

**The Munich Re (Group) Strategy Committee decided in September 2015 to continue our successful environmental and climate protection strategy until 2020 with the following objectives:**

- Further savings in Group carbon emissions: 35% (kg CO<sub>2</sub> per employee) in 2009–2020, whilst preserving carbon neutrality;
- Procurement of more electricity from renewable energy sources: 100% Group-wide if possible;
- Consistent increase in the percentage of environmentally friendly consumables procured (e.g. paper, vehicles);
- Enhance motivation on the part of employees to behave in an environmentally friendly way.

## Our successes

The consistent implementation of strategy has paid dividends: we have already reached our carbon emissions savings target of 35% less carbon dioxide (kg per employee in 2009–2020) today. Of particular help in making the savings was the application of measures with a high degree of leverage. Examples of these are the increased energy efficiency in and occupancy of our buildings, the ever-expanding use of digital communication, the rigorous shutting down of computers overnight, and the procurement of environmentally friendly consumables. Approximately 78% of the electricity purchased Group-wide in 2017 came from renewable, emission-free energy sources. Alongside the standardised conversion factors of the Greenhouse Gas Protocol (GHG) and the Association for Environmental Management in Banks, Savings Banks, and Insurance Companies (VfU), we have also taken individual factors into consideration since 2016 when calculating our carbon footprint, for example for the carbon emissions of our vehicle fleet. This ensures that using environmentally friendly vehicles has a direct positive effect on the carbon footprint of the respective site, motivating the staff there to take further measures.

Since 2015, Munich Re (Group) has been carbon-neutral. 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, develop local infrastructure, avoid deforestation and maintain biodiversity. Munich Re has financed efficient cooking stoves for schools in Uganda since 2017. Not only do these save a significant amount of firewood, they also enable hundreds of schoolchildren to be served hot meals.

**To achieve carbon neutrality for the 2016 fiscal year, we obtained carbon certificates from the following projects:**

- [Wind farms in the Shandong region in China \(PDF, 1.5 MB\)](#)
- [Efficient cooking stoves in Uganda \(PDF, 2.3 MB\)](#)

You can find comprehensive key indicators for our environmental performance in the section "[Environmental indicators](#)" under the heading "Key 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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## Responsibility

[Corporate responsibility in business](#)[Corporate governance](#)[Employees](#)[Environment](#)[\*\*Social impact\*\*](#)[Foundations](#)

Related topics

Foundations

## Social impact

With our social commitment, we play our part as a responsible enterprise, and place the emphasis on projects that are close to our core business.

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 effects for our business.

In our corporate responsibility strategy, which we have geared to the shared-value approach, we are concentrating on three key global challenges we want to help solve: These are combating the effects of climate change, improving access to healthcare, and enhancing risk awareness. When selecting projects, we are guided by the criteria of our social impact concept, which we also use to measure the effectiveness of our actions.

We also support projects at our business locations that bring social and cultural benefits, and assist in acute catastrophe situations.

### Our involvement – Partners and projects at a glance

#### Mitigating the effects of climate change

- **Tackling Climate Change Together:** At the heart of this joint Munich Re and ERGO initiative are solutions designed to attenuate climate change. Our involvement is concentrated on two projects: Climate-KIC (Knowledge & Innovation Community) is the largest public-private climate initiative in the European Union. Its accelerator programme fosters cleantech start-ups with business models focused on climate change. The second project is a partnership with the company SOLARKIOSK, by financing so-called E-HUBBs in underserved rural areas in Kenya. These are kiosks, equipped with solar panels, generating electricity locally.
- **Munich Climate Insurance Initiative (MCII):** On the initiative of Munich Re and representatives from the World Bank, NGOs and the scientific community, MCII was established in 2005 as a charitable organisation with a secretariat at the United Nations University in Bonn. The underlying idea was to support adaptation to climate change in developing and emerging countries by 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, for example under the UNFCCC "Loss and Damage" programme. MCII also provides premises for the InsuResilience Initiative, which was founded by the G7 countries in June 2015.
- **"34U – Tree for you" afforestation campaign:** In 2017, staff members and their families from Munich Re of Malta plc planted around 200 trees for the seventh year running as part of the afforestation programme on the islands of Malta. The objective of the campaign is to increase the stock of trees in Malta and to raise environmental awareness in the local population.

#### Improving access to healthcare

- **Health4Good:** The objective of this contest, which was initiated by DKV Seguros for start-ups, is to promote innovations, talent and the development of new digital ideas in the healthcare sector. The competition was held for the first time in 2016, with four of the 30 selected start-ups making it to the final round and winning financial and other prizes.

- **Eden Autism:** Munich Re America supports the charitable organisation Eden Autism Services, which performs research into autism and supports autistic children and adults. The company is the main sponsor of the Eden Autism 5k and Fun Run-Walk, in which many staff take part, thereby contributing to the success of the annual fund-raising.
- **Integration at ERGO Hestia Poland and DKV Seguros:** Company foundations promote the integration of people with disabilities into the workplace. The DKV Integralia foundation has set up several call centres, where customers receive advice and service from disabled staff. The Polish Integralia foundation has also created jobs for disabled people in various areas of the company and advises other companies and organisations on the employment of disabled people.
- **The Global Fund:** The Global Fund fights Aids, tuberculosis and malaria worldwide. Since 2014, Munich Re has been funding a four-year project in Indonesia to fight tuberculosis, a widespread disease there. The objective is to reduce the mortality rate from tuberculosis and break the chain of infection. Important components of the project are quick tests to detect resistance and strengthening healthcare systems.

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#### Enhancing risk awareness

- **Institute for Business and Home Safety (IBHS):** In the USA, Munich Re America and the American Modern Insurance Group are supporting 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.
- **InVEST:** HSBC supports the financial literacy project InVEST, thereby promoting insurance education in schools. The education programme, which has existed since 1970, provides attractive teaching material, which can also be used for training in the insurance industry.
- **Save the Children – Education Safe from Disasters:** Munich Re supports the Save the Children organisation in introducing an app that enables claims in the education sector to be examined quickly following natural events. The objective is to ensure the rapid resumption of schooling after a natural catastrophe in regions affected by natural events.

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#### Commitments at business locations

- **Corporate volunteering programme:** ERGO offers its employees the possibility of working for a day with their colleagues in various voluntary projects. In 2017 for example, ERGO volunteers worked on the drainage of moorland, took children from an integration daycare centre to a climate rally and tended public gardens together with schoolchildren.
- **Cuidam:** DKV Seguros is a founding member of the Cuidam programme, which aims to improve healthcare for needy children worldwide. Children from Africa, South America, Asia and Eastern Europe who previously had no access to medical care can thus receive treatment.
- **Münchener Förderzentrum:** Munich Re supports the Munich support centre for adults with physical disabilities through donations and corporate volunteering. Residents of the support centre also sell products made in the workshops at the Munich Re Christmas market.
- **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.
- **Tú decides:** As part of the campaign "Tú decides" (you decide), clients, employees, doctors, insurance brokers and service providers vote for the projects they think DKV Seguros should support for a period of one year. Voters can choose between various health and environmental projects aimed at improving the quality of life of disadvantaged groups.
- **EPIC Day of Giving:** Munich Reinsurance America has created the "Epic Day of Giving award". Any member of staff can nominate a non-profit organisation. The Charitable Giving Committee at Munich Re America then chooses the five finalists. The winner is determined by a staff vote. In 2017, the winner was "Foster and Adoptive Family Services".

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

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## Responsibility

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### Related topics

[Social impact](#)  
[Health care Integralia](#)

### External links

[Munich Re Foundation](#)  
[Dr. Hans-Jürgen Schinzler Foundation](#)  
[ERGO "Youth & Future" Foundation](#)  
[DKV Integralia Foundation](#)  
[ERGO Hestia Integralia Foundation \(in Polish\)](#)

## Foundations

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

### 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 various "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.

#### ERGO Hestia Integralia Foundation

The "Integralia" Foundation set up by Polish subsidiary ERGO Hestia in 2004 helps people with disabilities to enter working life. Since then, around 60 jobs for disabled people have been created at the company. The Foundation has a comprehensive advice package it uses to encourage other employers to follow suit. Thanks to this, 265 people with disabilities have so far found jobs outside ERGO Hestia.

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

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Further topics

Topic: Health care  
Topic: Risk awareness

## Climate change – Solutions for climate protection

Increasing carbon dioxide 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.



### Group-wide initiative for combating climate change

Under the slogan "Tackling climate change together" Munich Re and ERGO are supporting projects that focus on handling climate change. The focus is on cleantech start-ups and stand-alone, environment-friendly energy provision for regions with poor grid connections.

Tackling climate change together



### Climate change – A repressed challenge

On the occasion of the 2017 Climate Change Conference in Bonn, Dr. Joachim Wenning, Munich Re's CEO, commented on climate change and its complexity. He explores the potential implications and the insurance industry's role in better handling the consequences of climate change.

Dr. Wenning's comment



### A global priority

Robert Glasser is the United Nations Special Representative for Disaster Risk Reduction. In a Skype interview he talks about how the insurance industry can protect people in developing countries against the consequences of natural disasters and how globally shared risk data can open up new markets.

Interview with Robert Glasser



### Overcoming natural disasters

Droughts, floods, earthquakes: Insurance protection promotes risk reduction measures in exposed areas, reduces financial burdens after a disaster and strengthens resilience.

Resilience

GRI Content Index: G4-EC2; G4-EC8; G4-EN27

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## Tackling climate change together: A Group climate protection initiative

Efforts to counter the consequences of climate change are a core component of Munich Re's and ERGO's corporate responsibility strategy. Under the slogan "tackling climate change together", we are making an active commitment with our partners.

Rising temperatures and extreme weather events in many parts of the world are indications of a changing climate. It is more important than ever to combat the effects of climate change and support effective projects. "With our project 'tackling climate change together', we hope to drive forward solutions mitigating the effects of climate change. I am delighted to say that we have already achieved this with our partners Climate-KIC and SOLARKIOSK", said Renate Bleich, Head of Sustainability at Munich Re. "[Tackling climate change together](#)" was launched in 2017 and has already passed several milestones. It focuses on two projects: fostering cleantech start-ups together with Climate-KIC, EU's largest innovation initiative, and generating climate-friendly energy in remote regions of emerging and developing countries with SOLARKIOSK.

### Climate-KIC: Supporting the EU's biggest public-private climate initiative

The Climate-KIC (Knowledge & Innovation Community) accelerator programme targets cleantech start-ups, i.e. new commercial enterprises with business models focused on climate change. In a number of "side calls" (tender rounds), Munich Re and ERGO select young businesses for at least six and up to 18 months of both financial and mentoring support by Munich Re and ERGO staff members – from an initial concept to market maturity and beyond, depending on the start-up's development stage, ideally forging potential business cooperations in the process.

From September 2017 to March 2018, Munich Re and ERGO partnered with the following three teams: the operators of the online marketplace for refurbished electronic devices, Refurbed, where ERGO Direkt now offers insurance cover; the start-up company twingz, which has an energy-saving tool based on the Internet of Things that can also be used for loss prevention; and the NÜWIEL team, with its electronic bicycle trailers for emission-free parcel delivery.

As of April 2018, Munich Re, ERGO and Climate-KIC have taken three further start-ups under their wing: TWAICE extends the service life of lithium-ion batteries using virtual "twins", thus reducing the environmental impact of their disposal and manufacture; the entrepreneurs behind Daphne Technology, who are working on a nanotechnology-based, scalable exhaust-gas cleaning system for marine engines; and the founders of PAVE Group, who have developed software that uses artificial intelligence and big data analytics to make the construction and management of buildings more efficient and sustainable by optimising materials planning and the potential for recycling.

### SOLARKIOSK: Generating environmentally friendly power in underserved regions

With its E-HUBBs – kiosks equipped with photovoltaic modules – SOLARKIOSK generates electricity in regions not on the grid, or where power is in short supply. This is sustainable in many respects: if an E-HUBB replaces a diesel generator, this saves up to 200 tonnes of CO<sub>2</sub> emissions each year. The solar power produced at the E-HUBB allows local residents to charge their mobile phones, access the internet, and at the local sites use electric light after dark thanks to the E-HUBB's integrated storage capacity. E-HUBBs thus become popular day- and night-time meeting points, enriching communities – also because other small businesses are drawn to the area. Moreover, each E-HUBB creates up to five jobs. And the solar modules sold to households allow schoolchildren to do their homework in the evening.

Financial support from Munich Re and ERGO enables the provision of E-HUBBs in regions with poor grid infrastructure. As a start, Munich Re and ERGO have financed five E-HUBBs in Migori County in Kenya, which went into operation in December 2017. More E-HUBBs sponsored by Munich Re and ERGO are scheduled for installation in 2018.

### The bottom line

#### Further topics

Topic: Health care  
Topic: Risk awareness

#### Climate change



Climate change – A repressed challenge

#### Interview with Robert Glasser



A global priority

#### Resilience



Overcoming natural disasters

#### External links

[tacklingclimatechange.munichre.com](http://tacklingclimatechange.munichre.com)  
[solarkiosk.eu](http://solarkiosk.eu)  
[climate-kic-dach.org/sidecall](http://climate-kic-dach.org/sidecall)  
[climate-kic-dach.org/](http://climate-kic-dach.org/)

With the initiative "Tackling climate change together", Munich Re and ERGO are pooling their resources to counter the effects of climate change being felt around the world. By contributing experience, expertise and funding, the two partners are fostering start-ups with sustainable business ideas and stand-alone, climate-friendly electricity generation in underserved parts of the world.

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NÜWIEL – intelligent, electric bike trailers for the last mile delivery in cities

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## TOPICS

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Climate Change

# Climate change – A repressed challenge

There was a sliver of hope. Two years ago, heads of state and government from all over the world came together in Paris to forge a climate agreement that would limit global warming to well below two degrees Celsius and bring the consequences of climate change under some degree of control. A mere four weeks before the next climate summit is scheduled to take place in Bonn – it will be chaired by the Fiji Islands, a developing country heavily hit by climate change – the two-degree target now seems more remote than ever.

10.10.2017

Joachim Wenning

Ever since Paris, carbon emissions have remained virtually unchanged. However, carbon dioxide is a greenhouse gas that remains in the atmosphere for around 100 years. On behalf of future generations, we should be making every effort to reduce CO<sub>2</sub> emissions. After all, the lower we keep the rise in global warming, the less severe the consequences will be for everyone.

The sum total of all losses from weather-related catastrophes worldwide since 1980 is huge: US\$ 3,277bn. Of course it is not possible to reliably quantify how much of this figure is actually attributable to climate change. But, because of the extreme loss potential involved, reinsurers need to understand exactly how the probability and extent of certain events will shift as a result of climate change.

Scientifically speaking, global warming leads to increased evaporation of water. At the same time – because of higher temperatures – the atmosphere absorbs more moisture. So there is more energy available, which is released when water vapour condenses, and there may be more rain. The weather machine picks up speed, so to speak.

It is the prevailing opinion among scientists that climate change will produce a greater number of weather-related natural catastrophes in future. And a precise analysis of our loss data suggests that this is already evident in a number of regions, for instance in the form of losses from severe thunderstorms in the USA and in Europe. These storms have seen a significant increase, even after adjustment for the rise in exposed values.



„Greater insurance density could help people, companies and entire economies get back on their feet more quickly after a catastrophe has struck.“

Joachim Wenning  
CEO Munich Re

The interdependencies are very complex, and it would be inappropriate to make any broad, sweeping statements. We must be cautious with what we say about hurricanes in the North Atlantic – and I mention this quite deliberately given this year's series of hurricanes. Unlike with other types of hazard, the scientific community is not expecting climate change to result in a general rise in the frequency of storm events, but it does anticipate more frequent, very severe storms.

There is another exciting field of research we are also engaged in: Immediately after a weather-related natural catastrophe has occurred, systematic modelling is used to estimate how much more likely this individual occurrence has become on account of climate change. So we are gradually coming closer to the point where the consequences of climate change will be quantifiable. However, this is still going to take quite some time. And it would be unwise to refrain from taking measures designed to combat climate change and to adapt to its unavoidable consequences.

That is why Munich Re is attempting to take a systematic approach to including climate change in its business processes. Since 2015, our business activities worldwide have been carbon-neutral. [Next, our reinsurance group and our primary insurance subsidiary, ERGO, will jointly cooperate on the accelerator programme launched by Climate-KIC in order to promote climate protection with fresh ideas from the start-up scene](#). Climate-KIC is the EU's largest innovation initiative for climate-friendly technologies. The selected start-up companies will receive not only financial stimulus but also technical support from our experts. I am already looking forward to seeing the results of the first programme. In addition, in conjunction with Solarkiosk we are building solar E-HUBBS for Africa, which will provide people in remote regions with electricity produced by solar panels to operate their mobile devices and provide access to the internet.

The main objective of insurance is to mitigate the financial impacts of loss events. Given the loss amounts caused by natural catastrophes worldwide, it is a serious problem that since 1980 less than one-third of the economic losses has been insured. The remaining losses had to be shouldered by the countries themselves and the people living there. There is hardly any financial protection available in emerging markets and developing countries. The countries affected suffer permanent developmental setbacks from their large numbers of victims and high uninsured property losses.

One positive example of the impact insurance can have in this regard is the island nation of Dominica. In September, Dominica was ravaged by Hurricane Maria, a storm of the highest category. Only a few days later, a pool specifically set up for the small Caribbean islands announced the payout of US\$ 19m from an insurance contract.

Greater insurance density could help people, companies and entire economies get back on their feet more quickly after a catastrophe has struck. The gap in cover worldwide has lessened somewhat in the last few years, but it is still huge. Even in the USA and in Europe half – or even more – of total losses from natural catastrophes are not covered. Insurance can and will cover more losses, and thus achieve more in helping to cope with the consequences of climate change.

## TOPICS

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Resilience

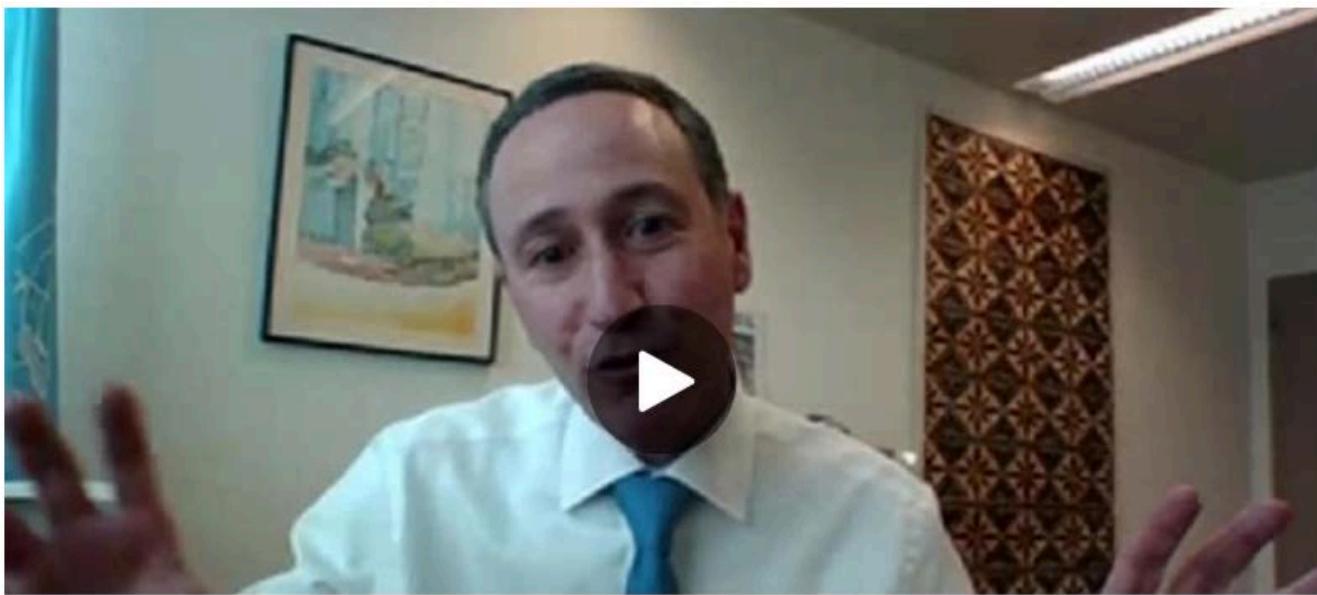
# A global priority

The United Nations has made risk resilience a top priority, establishing a dedicated secretariat to facilitate the International Strategy for Disaster Reduction (ISDR) in 1999. Skype interview with Munich Re: Robert Glasser, Special Representative of the United Nations' Secretary General for Disaster Risk Reduction and Head of UNISDR.

09.03.2017

**It is now about one year since you assumed your role as Head of the UNISDR. What has been your most positive experience in this position so far?**

**Robert Glasser:** Most remarkable is the amount of progress I've seen in confronting disaster risk. I've now travelled extensively to take part in regional platform meetings with ministers, officials and heads of government. It's really striking to see how much progress has been made in some places, although not everywhere. And of course there's still a huge amount of work to do. But I am now seeing disaster risk reduction plans. I see in some cases even national constitutions being amended to incorporate disaster risk. I see improving regulatory environments and a stronger role of parliament in enacting laws and regulations. There is also huge success in elements of the disaster risk reduction agenda, particularly in such areas as early-warning systems, evacuation plans and storm shelters in countries like Bangladesh, India and Pakistan. The engagement of private-sector stakeholders is also improving.



### Skype Interview: Robert Glasser

Special Representative of the United Nations' Secretary-General for Disaster Risk Reduction and Head of UNISDR

#### What do you see as the major contributing factors to improving/strengthening resilience in the face of natural disasters?

One of the most critical factors adding to the threat and its unpredictability is climate change, so it follows that efforts to reduce greenhouse gases are a major contribution to resilience. I say that because everything we do to reduce disaster risk will be overwhelmed on a planet faced with ever-increasing greenhouse gas emissions. Arguably, the most urgently needed contribution is to cut down greenhouse gas emissions. Then if I look at the next level of detail, I'd say we need to ensure that disaster risk is incorporated into core economic planning. Countries have to understand disaster risk and what it's costing as well as the trends, because with climate change and other factors the past is no longer a reliable indicator of the risks you face in the future. The insurance industry has this data and is absolutely fundamental in the overall risk management programme.

#### How can the insurance sector and insurance-related risk transfer mechanisms support your effort to improve resilience?

Transferring risk is of course one of the most important tools countries have in managing risk. While countries need to do everything they can to reduce risk in other ways – by making sure they're not constructing hospitals in flood zones, for example – at the end of the day, once they've done all they can they should have options to transfer a portion of the risk through insurance. In some countries, however, the regulatory framework makes it difficult for insurers to assume this role. Especially in communities that are marginalised, the insurance industry is in a unique position to develop suitable products like mutuals that can reach stakeholders who tend to be particularly vulnerable and exposed to hazards. A further aspect is the fact that governments need first to fully understand risks before they can decide on measures to mitigate them and consider risk transfer. There are huge gaps in both rich and developing nations when it comes to understanding their exposure. Here, the insurance community can offer key support to countries and other stakeholders in raising awareness and laying the groundwork for risk transfer.

**You've mentioned the vulnerability of poorer communities. What should be done to further increase resilience in developing and emerging countries specifically?**

While all countries face the challenge of building resilience with limited resources, the gaps in developing nations are far greater. These countries are hugely disproportionately affected when disaster strikes. In our analysis, the average annual loss from natural catastrophes in low-income nations equates to over 20% of their annual social expenditure. Secondly, there are gaps in knowledge about disaster losses and generally weak tools for risk profiling and for incorporating risk into economic planning. All of these areas need attention for us to reduce disaster risk, and the insurance industry has a key role to play in every one.

**Are there any flagship public-private partnership projects you think could serve as a blueprint – that could be upscaled or copied?**

There are actually quite a few in this sphere. Some of them are linked to microinsurance, enabling communities to access insurance products, and working with governments and NGOs. The UNISDR has a major private-sector partnership operating both at a global level with multinationals and at the regional level with very dynamic chapters of private-sector firms, particularly in Japan and the Philippines. This alliance, called the Arise Network, is developing a series of public-private partnerships to reduce disaster risk. Activities range from incorporating risk in the curriculum of business schools, fostering a new generation of executives with an understanding of disaster risk, to working with small to medium-sized enterprises to test their resilience and preparedness regarding disasters – and everything in between. There's also a very interesting initiative we're just beginning linked to the financial sector regulators, the Bank for International Settlements and the Financial Stability Board. We've found important opportunities to incorporate disaster risk into the global regulatory environment that sets the rules for the insurance sector around the world. The challenge is to work out what the appropriate role of the public sector is, because there has to be a compelling private-sector interest as well. It has to be win-win.

**The first of four priorities for action stated by your organisation for the next 15 years is "understanding disaster risk". How can insurers support you in this regard?**

One of the key ways is what I've mentioned, ensuring that disaster risk is embedded in core economic planning. Working backward from there, there are a whole variety of steps, like understanding disaster loss and risk profiling. On a global level, it would be extremely useful if insurers would open up their data on risk and make it more available. I know in many cases it's proprietary information, but I think there is a compelling shared interest – on the part of insurers as well – in pooling what we know where there's a lack of open knowledge. This will enable better pricing of risks and open up markets, so more risk can be transferred.

**With our nat cat database, Munich Re has a long tradition of sharing knowledge with international bodies, including the UN. Does this go in the direction you're talking about?**

Yes, and we are thankful for that. I'm glad to say that others are following suit.

## TOPICS

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Resilience

# Resilience – Overcoming natural disasters

Losses from natural disasters are increasing in many parts of the world. Since even the best risk management cannot actually prevent major loss events, the focus must be on managing them. The keyword here is resilience, and insurance cover against natural hazards is a major component of this.

09.03.2017

Hurricanes, floods and earthquakes – human beings are powerless to influence where Mother Nature will strike next, and with what intensity. However, the extent to which such events have a fortunate outcome or destroy people's livelihoods is by no means a matter of chance. Warning systems, safe buildings and well-coordinated aid and relief services can help ensure as many people as possible come through a loss event unscathed and recover quickly from its consequences.

Yet long-term impacts are inevitable if an extreme natural event hits people who are poorly prepared and vulnerable. Such was the case in Haiti, which still remains largely paralysed today after the destructive earthquake of early 2010. In October 2016, Haiti was hit by Hurricane Matthew, the consequences of which were many times worse because the country had not recovered from the earthquake damage. In contrast, life returned to normal long ago in Chile and New Zealand, two countries that were also hit by powerful earthquakes in late February 2010 and early 2011 respectively. It is a fact that countries with low economic strength and poorly developed social systems are particularly vulnerable.

## Prepare

What natural hazards can affect me?  
Am I ready?



Source: Fausto Montanari

## Restoring control

Resilience refers to the ability of individuals, societies or socio-economic systems to cope with the sudden impact of crises or disasters, and to restore as quickly as possible their ability to function and their capacity to act.

The concept of resilience is relatively new in the context of disaster reduction. It is characterised by resistance and flexibility and aims at quickly returning life to normal. However, it would be a mistake to see resilience merely in terms of resistance and vulnerability. This is because the ability to respond flexibly is a precondition for quickly restoring normal conditions after a disaster. It would also be short-sighted to see resilience simply as an emergency response system, because the crucial criterion for resilient systems is that they are able to restore all key functions as quickly as possible.

## Prevent

How can major losses be prevented?



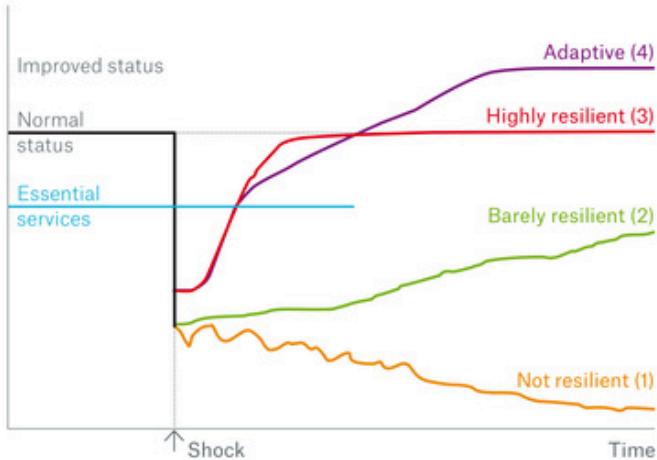
Source: Fausto Montanari

## Features of resilient societies

Because accidents and crises can occur at any time and at any place, the concept of resilience can serve as a guide for disaster protection, crisis management and damage limitation.

Resilient systems must meet a range of different requirements, based on the fact that resilience covers both preparation and damage limitation, and the ability to respond appropriately following an event. Firstly, they must be properly set up to combat extreme events through appropriate measures (Prepare) to ensure that a loss does not happen in the first place (Prevent). If it happens nevertheless, the protective measures established beforehand need to work properly to minimise the consequences (Protect). The next phase (Respond) relates to the system's agility, which is dependent on prompt, well-organised and effective emergency aid. Once the acute hazard is over, the rebuilding phase can begin (Recover). At this point, it is crucial that lessons are learned to ensure the system is even better prepared for future events. So resilience is not a static condition, but rather a characteristic of systems that are adaptive, flexible and constantly evolving.

## How systems with different levels of resilience respond to shocks



- (1) A society that is not resilient does not succeed in returning to its previous status after a shock. Recovery efforts fail.
- (2) A society that is barely resilient is slow to return to its previous status, and generally does so only with external aid.
- (3) In a highly resilient society, the shock is less severe (because of preventive measures), and all key functions are up and running again after a short time. The previous status is quickly restored. External aid is generally not required.
- (4) An even higher level of resilience can be achieved by eliminating weaknesses in the earlier system during the recovery phase. Because of the planning this involves, the complete recovery period may take more time.

© Source: Munich Re

## How systems with different levels of resilience respond to shocks

**Protect**  
How can I better secure my possessions?



Source: Fausto Montanari

## Resilience efforts in practice

More and more countries are redoubling their efforts to achieve greater resilience. The motivation is the realisation that, because of the diversity, complexity and unpredictability of modern risks, a population's safety cannot always be guaranteed. As a result, the focus of considerations is increasingly on coping with loss events. The United Kingdom, for example, has launched numerous initiatives over the last ten years to strengthen resilience. Similarly, in the USA there is a special body within the National Security Council that deals with anchoring resilience as a core element in the national prevention and action plan for crisis scenarios. At the start of 2013, with his Presidential Policy Directive 21 "Critical Infrastructure Security and Resilience", US President Barack Obama initiated a raft of measures designed to make critical infrastructure more resistant in the event of any breakdown.

The topic is also gaining importance on a global level. The UNISDR, for example, has launched a campaign entitled "How to Make Cities More Resilient". The rationale behind this is that, with the global trend to urbanisation, resilience of cities is key.

Highly vulnerable low-income countries with inefficient public bodies and poor infrastructure frequently struggle to achieve a sustainable strengthening of resilience. The statistics send a clear message: more people die from natural disasters in such countries than in rich countries, both in absolute terms and relative to the total population. Part of the reason is that in many of the poorest parts of the world, weather extremes like floods and droughts pose a greater threat to both the lives and the economic and environmental foundations of entire communities there. Loss prevention measures and early-warning systems offer substantial improvement.

## Respond

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How can I limit the damage?



A stylized illustration showing two orange-clad figures standing on a grey sandy beach. They are positioned behind a row of dark grey cylindrical objects, possibly barrels or drums, which are partially submerged in blue water. The water has small white caps. In the foreground, there are several small blue puddles on the sand. A large black circular overlay with a white play button symbol is centered over the middle of the scene, suggesting a video player interface. The background is a solid blue color.

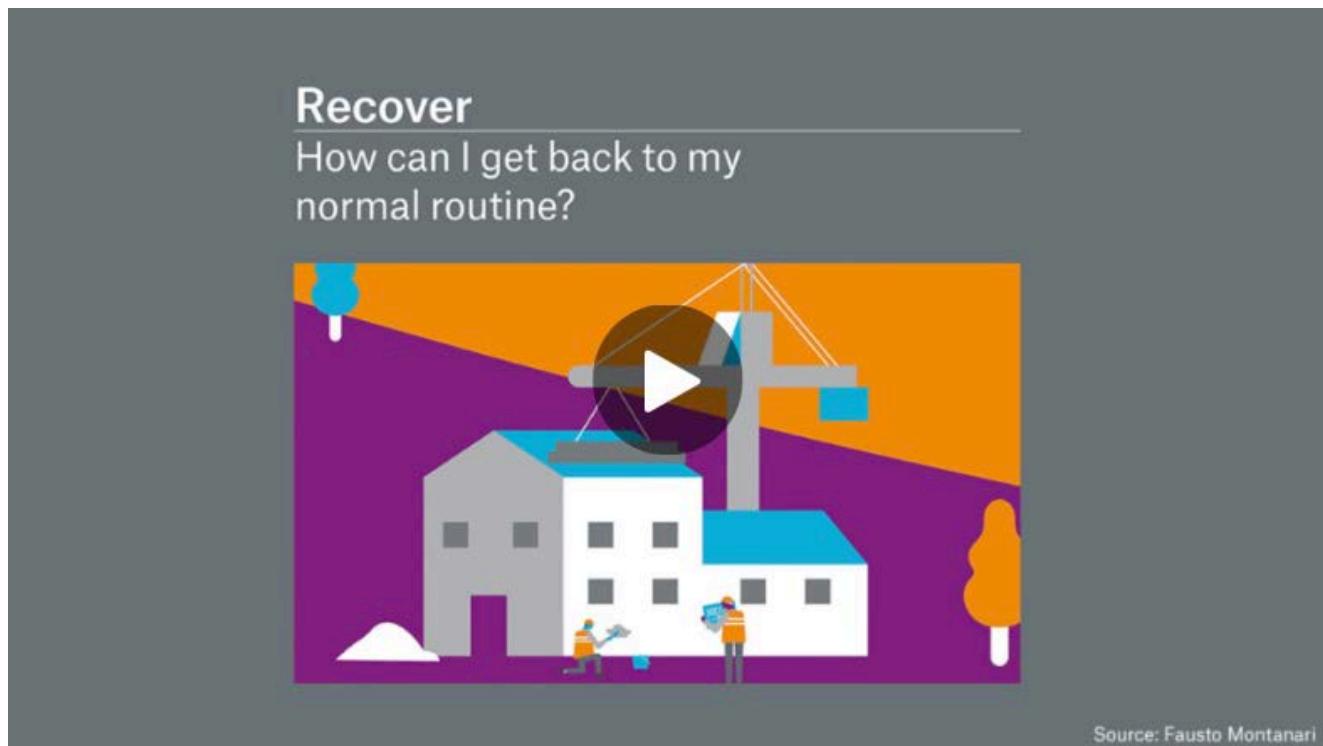
Source: Fausto Montanari

## Insurance as an instrument for strengthening resilience

After a disaster, focus shifts to coping with the consequences. This includes both humanitarian aid and financing systems. Insurance is a central component in managing the economic consequences by facilitating prompt repair and reconstruction measures.

The results of scientific research show that well-functioning financial and insurance markets provide a markedly positive stimulus. One example is after the 2012 drought in the USA, when the US agricultural insurance scheme assisted many farmers with payments. Without these payments, it is highly likely that agricultural production would have been affected in 2013 as well. The system is a public-private partnership (PPP), where the private insurance industry provides its expertise to help ensure accurate risk assessments and rapid payouts. Since, alongside the government support, the farmers pay part of the premiums themselves, they also have an incentive to implement loss-minimising measures.

Generally speaking, adequate insurance protection can cushion the effects of natural disasters in two ways. Firstly, it motivates insurers to take preventive measures in order to save money on insurance premiums. Insurers allocate a price to the risk to be insured, thereby increasing the incentive to lower that price through implementing measures to minimise the risk. Secondly, payments following a disaster provide prompt financial relief, so that the reconstruction of factories, for example, can be tackled without delay. Recent studies show that if you take two countries with identical per-capita income, the country with higher insurance cover will be more resilient to natural disasters.



Source: Fausto Montanari

## G7 embraces climate insurance

The realisation that insurance can make a key contribution to strengthening resilience was reflected in the negotiations to reach a global climate protection agreement. The Paris Agreement at the 2015 climate summit mentioned 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 by the year 2020 is to expand insurance coverage against weather disasters in developing and emerging countries, an initiative from which around 400 million people will benefit. This will be organised either on a macro level with insurance cover for entire countries, or on a micro level with policies for individuals. In April 2016, representatives from UN organisations, the World Bank and the insurance industry announced the establishment of the Insurance Development Forum (IDF) to support projects like this. It is planned to incorporate the insurance industry's risk expertise into government regulations to reduce risks and improve access to the insurance system for those sections of the population most in need of protection. Today, we already see pool solutions in operation in some African countries, in the Caribbean, as well as in Pacific island states.

Summary: A better understanding of the concept of resilience and subsequent recommendations for political decision-makers can help achieve a significant reduction in the loss of life and the financial, social and environmental damage resulting from natural disasters. Insurance cover against natural hazards is a key component to allow a population to get back on its feet as quickly as possible after a loss.

## Munich Re Experts



**Dr.-Ing. Wolfgang Kron**

is head of Research, Hydrological Hazards in Geo Risks Research and in charge of everything concerned with "water as a natural hazard".

[wkron@munichre.com](mailto:wkron@munichre.com)



Further topics

Topic: Climate change  
Topic: Risk awareness

External links

DKV Seguros  
DKV Integralia (Spanish)

## Health – Sustainable strategies for the health market

The global health market is expanding, while at the same time lifestyle diseases are on the rise. With its focus on risk carrying and risk management, Munich Re provides its clients with individual, sustainable primary insurance and reinsurance solutions.



### Limiting pandemic risks

Major epidemics leave human suffering and economic losses in their wake. Supported by Munich Re, the World Bank has devised a solution to improve the resilience of developing and emerging countries.

Initiatives to protect against epidemics and pandemics



### Everyday life and work for wheelchair users

An accessible call centre in which customer service is provided by people with disabilities – that's how the DKV Integralia Foundation works. Its success is evident from the growing number of employees, the good economic result and its own training facility.

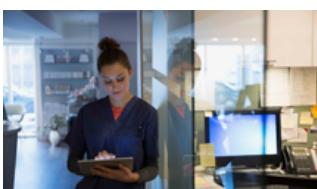
Integralia healthcare



### Rare diseases are more calculable today for insurers

More and more people are affected by rare diseases – altogether 7% of the world's population. Insurance medicine is continually evolving in order to offer insurance solutions for sufferers. In its Medical Centre of Competence, Munich Re is working to systematically improve efficiency when it comes to rare medical conditions and underwriting.

Rare diseases



### The doctor is online

Munich Re's "Digital Doctor" app helps end-customers and primary insurers. It asks about symptoms, determines health data and provides medical advice from a specialist – by phone, through chat or live video.

The Doctor is online

Interesting? Share this content on your favourite social media platform.

# Insurance scheme helps fight epidemics and pandemics

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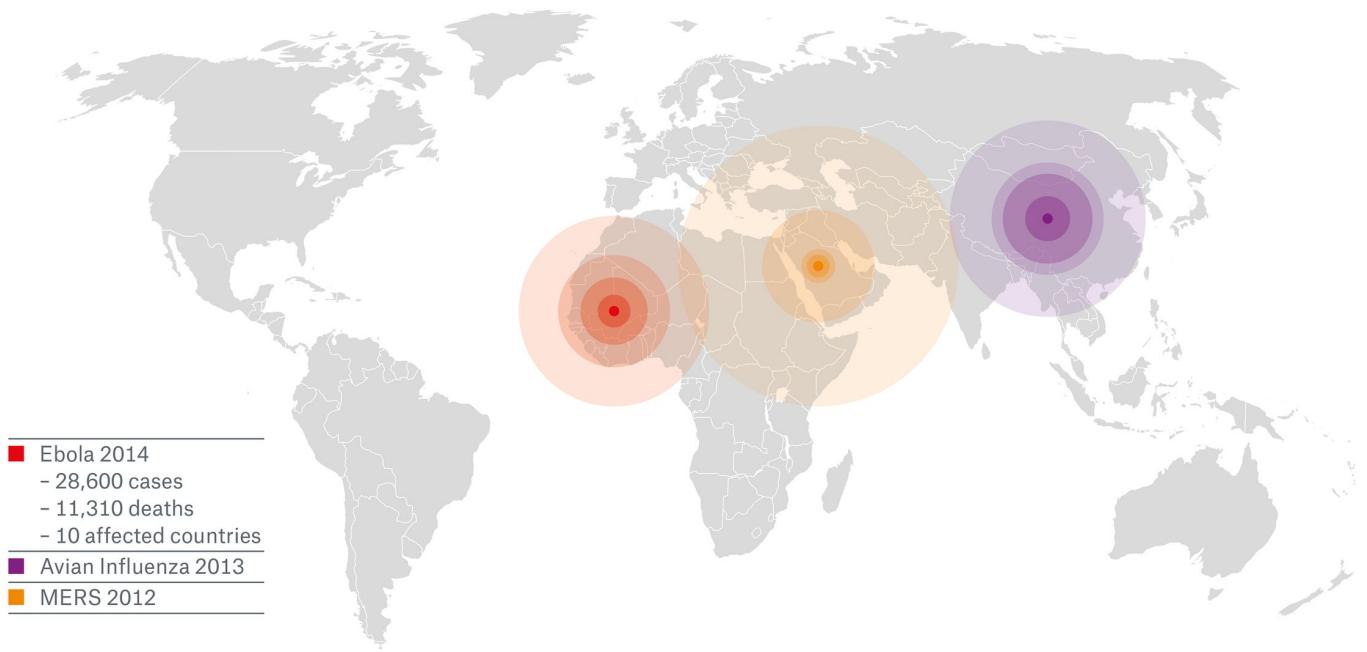
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The world was unprepared for the Ebola crisis in West Africa in 2014. The international response was too slow in coming, thus failing to avoid a humanitarian and economic disaster for the countries affected. This should not happen again: with the Pandemic Emergency Financing Facility (PEF) launched by the World Bank with the support of Munich Re, Swiss Re and GC Securities, a division of MMC Securities LLC, the global community will have an effective instrument for a swift pandemic response – saving lives and limiting the adverse economic impact.

29.06.2017

There is little doubt that we will likely experience a severe epidemic outbreak sometime in the future – probably in our lifetime even a global pandemic with the potential to destabilise societies and economies. Even limited epidemic outbreaks have the potential to severely affect economies in terms of sickness-related absenteeism, disrupted work schedules and lost productivity, as the outbreaks of SARS and Ebola showed so dramatically.

## Dimensions of historical outbreaks



## Dimensions of historical outbreaks

There are significant similarities between insuring countries against natural disasters and insuring them against pandemic outbreaks. We have learned from experience that low- and middle-income countries in particular are significantly underinsured. Consequently, when disaster strikes there are not enough financial resources to fund emergency relief and cope with the financial losses, let alone pay for the reconstruction of destroyed assets. It was thus a logical step for the World Bank to develop insurance mechanisms to help their member and client countries to address this challenge, for example through the [Turkish Catastrophe Insurance Pool](#), the [Caribbean Catastrophe Risk Insurance Facility](#), the Pacific Catastrophe Risk Assessment and Financing Initiative and a number of other schemes. However, all of these mechanisms are designed specifically to cover natural catastrophe risks.

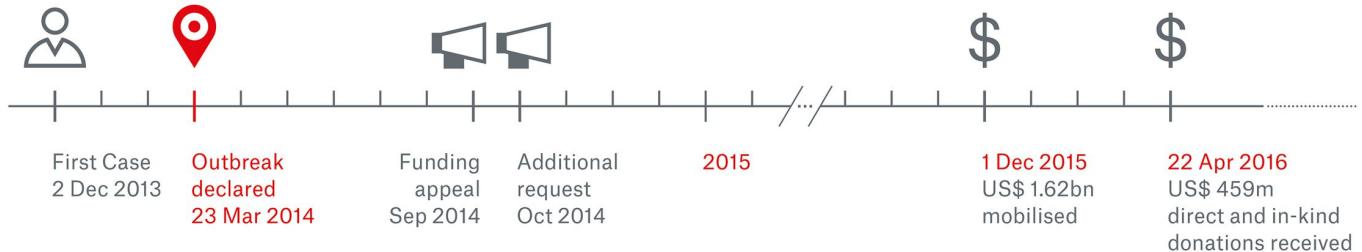
### *Definition*

**Epidemic:** The incidence rate (i.e. new cases in a given human population) of a certain disease substantially exceeds what is "expected", the spread is regionally limited.

**Pandemic:** An epidemic of an infectious disease that spreads through human populations globally.

## Conventional funding for epidemic outbreaks

Example: Ebola 2014, Guinea



Source: Metabiota, Munich Re

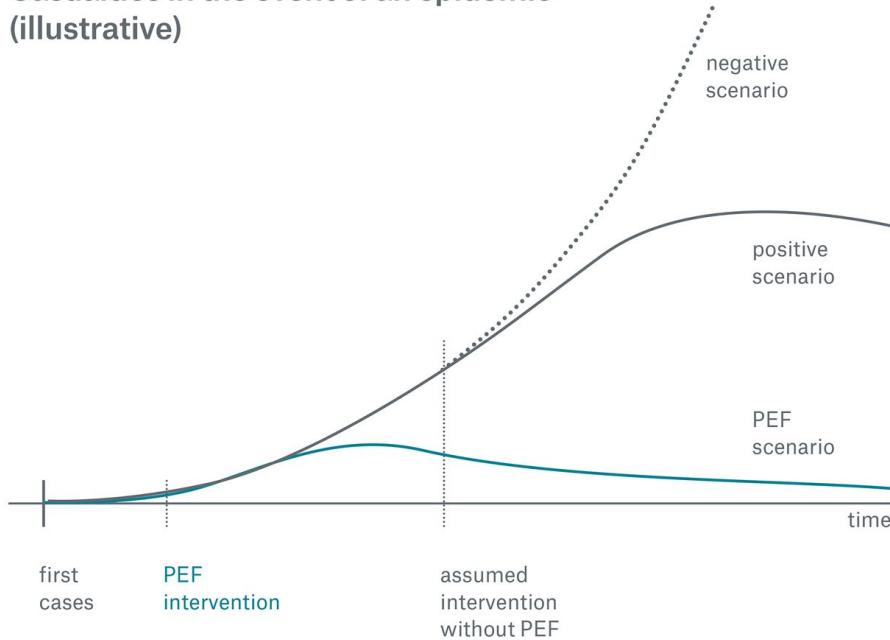
Conventionl funding for epidemic outbreaks - Example: Ebola 2014, Guinea

## Much-needed surge funding

The PEF, developed by the World Bank in collaboration with the World Health Organization and other public and private sector partners, and promoted by G7 and G20 countries, is now able to provide the much-needed funding to help prevent rare, high-severity disease outbreaks from becoming more deadly and costly pandemics. Michael Roth, Senior Manager for Public Sector Business Development at Munich Re, said: "Munich Re values the World Bank as a unique partner, acknowledging its outstanding expertise in addressing complex development finance challenges. We are very happy to be one of the drivers of the PEF from the beginning, working with the World Bank on idea generation, concept development, assessment of the insurability of epidemic and pandemic outbreak risks, as well as structuring the insurance component of the PEF."

Past crises have revealed a critical financing gap between the limited funds available in the early stages of an outbreak and the financial help mobilised once an outbreak has reached crisis proportions. Gunther Kraut, Project Lead for Munich Re's Global Epidemic Risk Business: "If the PEF had existed in 2014 during the Ebola outbreak, the world could have mobilised necessary funding as early as July to accelerate the emergency response. Instead, money did not begin to flow until three months later – during which time Ebola cases increased tenfold. Donors ended up committing more than US\$ 7bn to Ebola response and recovery, and the overall economic impact of the crisis in Guinea, Liberia, and Sierra Leone reached US\$ 2.8bn, according to the latest World Bank estimates."

## Casualties in the event of an epidemic (illustrative)



## Casualties in the event of an epidemic (illustrative)

# A vital pillar in global healthcare

By guaranteeing more transparency and increasing public awareness, the PEF framework ensures better planning and faster response times. Addressed early, epidemics are – for the most part – containable, with money and support delivered at the right time making a significant difference. Rebecca Cichon, Senior Manager Origination at Munich Re's Capital Partners unit in Zurich: "The PEF establishes an explicit framework for the flow of funds from risk takers, via the World Bank to implementing agencies and governments for specific actions aimed at containment. It clears the path for a swift, effective response to epidemic and pandemic outbreaks."

The PEF combines pay-outs from the reinsurance and insurance markets with the proceeds of World Bank-issued pandemic bonds. The bonds are issued under the "capital at risk" programme of the International Bank for Reconstruction and Development (IBRD). The insurance component of the PEF also features swaps that embed the terms of an insurance policy into the PEF. The PEF insurance component was developed with Munich Re and Swiss Re, using modelling provided by AIR Worldwide.

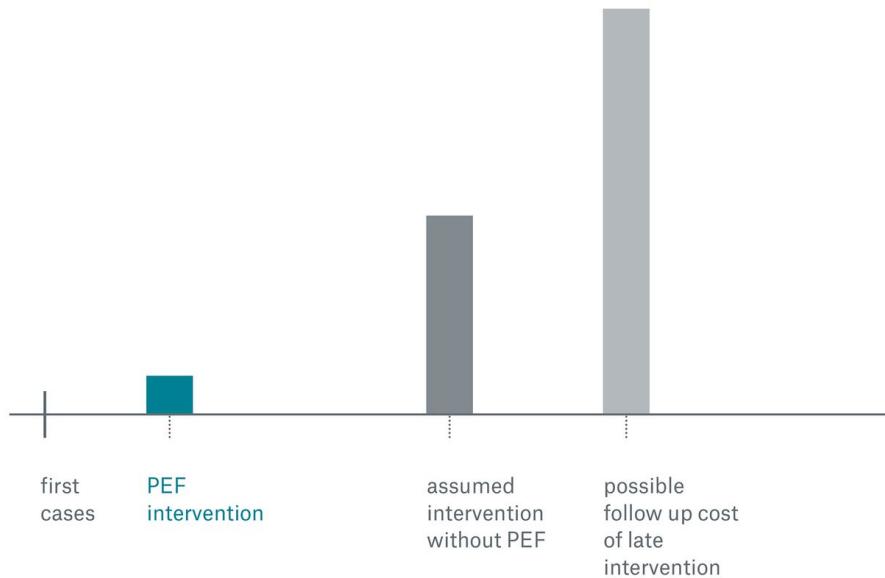
By providing resources swiftly to countries and international responders to contain an epidemic outbreak before it reaches pandemic proportions, the PEF can help save thousands of lives.

Thomas Thumerer, Senior Manager Structuring at Munich Re's Capital Partners unit in Munich: "This is one of the most complex and first cat bond transactions of its kind to transfer pandemic risks in such an innovative way to the capital markets. From the initial conceptual idea to the final product, numerous challenges had to be overcome, not least the design of a suitable parametric pay-out trigger."

# In case of need

Countries eligible for financing under the PEF are members of the International Development Agency (IDA), the arm of the World Bank that provides concessional finance for the world's poorest countries. The PEF covers the viruses that are most likely to cause a pandemic. These include new Orthomyxoviruses (new influenza pandemic virus A), Coronaviruses (SARS, MERS), Filoviruses (Ebola, Marburg) and other zoonotic diseases (Crimean Congo, Rift Valley and Lassa fever). PEF financing to eligible countries will be triggered when viruses reach a certain level of contagion, including number of deaths, the speed of the disease spread and whether the disease crosses international borders. The trigger points are based on publicly available data as reported by the WHO.

### Cost for intervention (illustrative)



Cost for intervention (illustrative)

**Our core competency: Strengthening the resilience of companies and societies**

The PEF represents a unique combination of different risk transfer formats to exploit the strengths of each of them in a first-of-its-kind solution. As such, the PEF is an important element for pushing the development of an [epidemic risk insurance market](#). Gunther Kraut: "Presenting investors and (re)insurers with the PEF insurance solution has the potential to support the development of epidemic and pandemic insurance solutions for a broader group of private and public sector entities. Over time, we will increasingly be able to offer our clients a wide range of innovative epidemic risk transfer solutions, thus further strengthening the resilience of societies."

The PEF will provide more than US\$ 500m to cover developing countries against the risk of pandemic outbreaks over the next five years, through the insurance component with a maximum coverage of US\$ 425m with the combination of bonds and derivatives, a cash window, and future commitments from donor countries for additional coverage. The insurance component, with premiums funded by Japan and Germany, was developed together with Munich Re and Swiss Re and uses modelling provided by AIR Worldwide. To complement the insurance component, a cash component will be available from 2018, for which Germany provided initial funding of € 50m. It will provide funding for diseases that may not be eligible for funding under the insurance scheme.

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**Gunther Kraut**

Head of Epidemic Risk Solutions

[gkraut@munichre.com](mailto:gkraut@munichre.com)



**Michael Roth**

Senior Consultant Public Sector Business Development

[mroth@munichre.com](mailto:mroth@munichre.com)



**Rebecca Cichon**

Rebecca Cichon, Senior Manager Origination, Capital Partners Hub  
Zurich

[rcichon@newre.com](mailto:rcichon@newre.com)



**Thomas Thumerer**

Senior Manager Structuring, Capital Partners Munich

[ththumerer@munichre.com](mailto:ththumerer@munichre.com)



**Gunther Kraut**

Head of Epidemic Risk Solutions

[gkraut@munichre.com](mailto:gkraut@munichre.com)

[Further topics](#)[Topic: Climate change](#)  
[Topic: Risk awareness](#)[Limiting pandemic risks](#)[Initiative to protect against epidemics and pandemics](#)[Rare diseases](#)[Rare diseases are more calculable today for insurers](#)[The "Digital Doctor" app](#)[The doctor is online](#)[External links](#)[DKV Seguros](#)  
(Spanisch)  
[DKV Integralia](#)  
(Spanisch)

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.

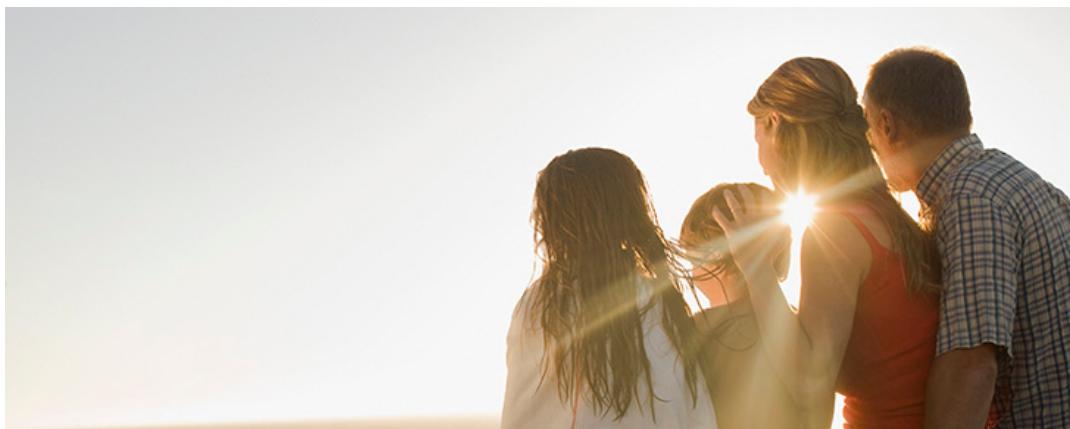
#### A major success thanks to training

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

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 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 Zellulärpathologie*, 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 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 Selderen

### Further topics

Topic: Climate change

Topic: Risk awareness

### Limiting pandemic risks



Initiative to protect against epidemics and pandemics

### Integria healthcare



Everyday life and work for wheelchair users

### The "Digital Doctor" app



The doctor is online

### External links

Berlin Center for Rare Diseases

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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## Life and Health

## The doctor is online

Munich Re has developed the "Digital Doctor" app – an intelligent digital service for primary insurers, and a further component in its integrated Health Ecosystem.

Bloodshot burning eyes, itching and increased lacrimation. Eye symptoms can have various causes, such as irritation, overexertion, allergies or even bacterial or viral inflammation, and the treatment is different for each. How do you go about getting to the bottom of a troublesome problem quickly, pragmatically and easily?

Munich Re has a convincing digital answer to that question: the Digital Doctor app. Its intelligent questionnaire based on algorithms asks for details of the user's symptoms and, if appropriate, their vital data to form a picture of their condition. After considering the data provided, a doctor provides medical advice directly by telephone, live video or chat. Other medical documents can be attached to support the assessment (medical examination reports, laboratory test results, x-rays, etc.). If necessary, the customer will then be referred to a specialist from the insurer's pool of doctors.

The Digital Doctor app is currently being offered to around 5,000 pilot customers. For now, the algorithm results constitute a recommendation that cannot replace a consultation with a doctor. Hence, the next step is the CE-certification of the app as a medical product.

## Online doctors app: Win-win for everyone

The app provides the insurer with a continuously updatable mobile customer-service tool that it can use to intensify its contact with the insured. In addition, the information on user behaviour produced by the app generates health data that enables insurers and reinsurers to model the risks more accurately. Another – long-term – advantage is that the app has the potential to reduce costs, because both unnecessary doctor's visits and expensive appointments can be avoided.

And most of all, with its global 24/7 service, the app meets the most important needs of insurance customers: the rapid clarification of symptoms and a straight-forward referral to a specialist, for which people may otherwise often face a long wait.

## Digital Doctor App - Our intelligent service for your health



▶ ■ 0:00 2:39 🔍

The feedback from app users has been very positive. It shows that the Digital Doctor is making possible a new type of relationship to the insured. Its key aspect is our customers' desire to have a friendly, seamless connection to their health insurer.

## Munich Re as healthcare manager

The role of the insurer is constantly changing. Modern [technology](#) is affecting the sector; customers are demanding better scope and quality from their services. Munich Re deeply understands these developments, and is therefore offering closely interwoven, digital health solutions that span from classical medical components through to [lifestyle elements](#) such as nutritional advice. In short, Munich Re is providing an integrated Health Ecosystem, in which it acts as a digital healthcare manager for primary insurers and customers.

„With innovative services such as the Digital Doctor app, which can be used equally well in both primary insurance and reinsurance, we are creating an integrated Health Ecosystem. We feel that much more is at stake than payments when an insured event occurs. That is why we are creating an intelligent network of digital solutions instead, which actively

promotes our customers' health and lifestyle, and improves the insurers' risk and cost management."

Christoph Wittmann  
Head of Health Development

## Munich Re Experts



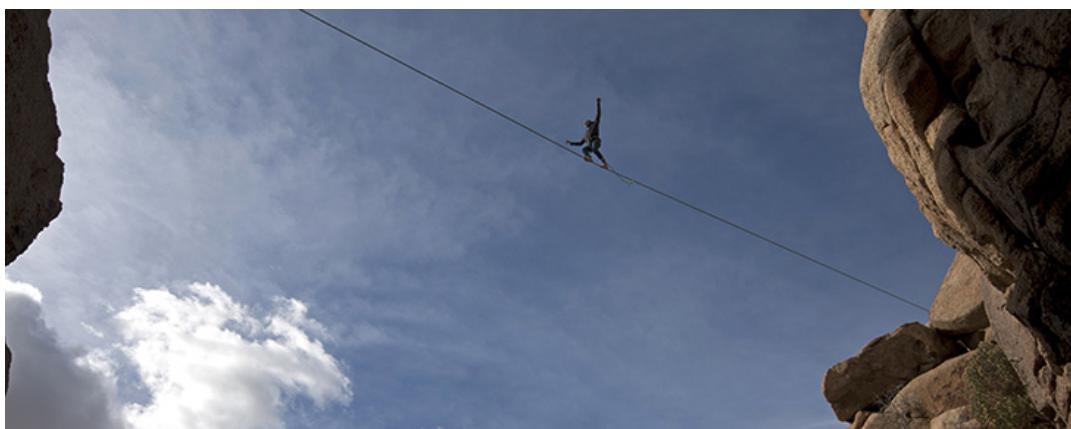
Sabine Fischer  
Head of Health Products & Innovation  
[safischer@munichre.com](mailto:safischer@munichre.com)



Christoph Wittmann  
Head of Health Development  
[chrwittmann@munichre.com](mailto:chrwittmann@munichre.com)



Bernd Eisemann  
Project Manager  
[beisemann@munichre.com](mailto:beisemann@munichre.com)



Further Topics

Topic: Climate change

Topic: Health care

## Risk awareness – A pilot development-aid project with good prospects

Munich Re makes its contribution with a wide range of prevention and adaptation measures aimed at protecting people in exposed regions.



### Munich Re promotes the resilience of cities and communities

Via specialised solutions and involvement in initiatives, Munich Re intends to further the UN Sustainable Development Goal of making cities and communities more resilient to the consequences of negative influences and catastrophes.

Munich Re promotes resilience



### Spin-off companies for sustainable development

Development aid and catastrophe protection initiatives often lack adequate financing and insurance solutions. In this field, Munich Re aims to support sustainability projects of public and private organisations alike through its specialised subsidiary companies.

Sustainable insurance solutions



### City Innovation Platform for African Infrastructure Risk and Resilience

In October 2016, investors, insurers, municipal authorities and politicians came together for a pilot project with the de facto Tanzanian capital, Dar es Salaam. The aim was to cultivate ideas for more sustainable urban development and better risk management of infrastructure measures.

City Innovation Platform



### After a disaster

Partnerships between states, international organisations and the insurance industry contribute to protecting against losses due to natural disasters. As a risk carrier, Munich Re is involved in setting up international risk pools.

Munich Re participates in risk pools

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**Further Topics**[Topic: Climate change](#)[Topic: Health care](#)[Spin-off companies for sustainable development](#)[Sustainable insurance solutions](#)**City Innovation Platform**[City Innovation Platform for African Infrastructure Risk and Resilience](#)**After a disaster**[Munich Re participates in risk pools](#)**External Links**[Capital Partners](#)[Principles for Sustainable Insurance](#)  
[Sustainable Development Goals](#)

## More resilience for cities and communities: the UN Sustainable Development Goals

Munich Re wants to contribute to fulfilling the UN Sustainable Development Goals by 2030. Our efforts focus on improving the risk management of cities and communities.

At the core of the 2030 Agenda for Sustainable Development, signed by all member states of the United Nations, is a catalogue of 17 Sustainable Development Goals (SDGs). The objective is to develop solutions by 2030 to end global poverty, combat social inequality and mitigate the effects of climate change. The SDGs comprise all three dimensions of the strategies for sustainable development and cover a wide range of topics from education, health, social security systems up to employment. In concrete terms, some of these goals are to "end poverty in all its forms everywhere", "ensure availability and sustainable management of water and sanitation for all" and "make cities and human settlements inclusive, safe, resilient and sustainable".

### Cities to be made safer and more resilient

The eleventh SDG states that cities and communities should be made inclusive, safe, resilient and sustainable. According to the German Federal Ministry for Economic Cooperation and Development, 30% of the world's population lived in urban centres in the mid 20th century. Today, that figure is over 50% – and it is set to reach 80% by 2050. Against this backdrop, the eleventh UN Sustainable Development Goal is of particular urgency. The resilience of urban centres has been a core topic for Munich Re for many years. Cities and communities that know, manage and safeguard against their risks can take measures to counter negative influences, and can bounce back faster, for example from the effects of natural catastrophes. Munich Re is making an important contribution to this as a founding member of the Principles for Sustainable Insurance (PSI), the UN initiative for sustainability in the insurance industry.

### Improved risk management by means of innovative finance concepts

Through several operational units Munich Re supports cities and communities with various solutions offering better risk management and greater resilience. Impact bond concepts are one option for financing social, humanitarian aid and environmental projects. For example, the Urban Air Pollution Impact Bond provides for financial compensation if air pollution control targets are not met despite the implementation of previously defined measures. Munich Re can support municipal authorities with the assessment and evaluation of such measures. This helps local authorities achieving greater financial planning certainty, enabling them to concentrate more on developing, testing and appraising new air quality improvement measures. Furthermore investors can also participate efficiently in resilience enhancement schemes.

"Our solutions dovetail the risk-minimisation effect with the idea of expanding the boundaries of insurability", explains August Pröbstl, Global Head of Capital Partners. "Preventative investments in measures to increase resilience reduce the underlying risks."

### Learning from and with each other through dialogue

Munich Re is also promoting a sustainable future for cities and communities through events and other initiatives. One example is our involvement in the City Innovation Platform for African Infrastructure Risk and Resilience (CIP AIRR) initiative since 2016. In dialogue with city representatives, the initiative looks at how – also with insurance industry support – public infrastructure projects can be planned and implemented in a more sustainable way. The promising results of a pilot project in Dar es Salaam, Tanzania, can be seen in a study by Climate Wise .

For two years, Munich Re has supported the Resilient Cities conference held annually in Bonn by the global network of cities, towns and regions "ICLEI – Local Governments for Sustainability". At these conferences, Munich Re illustrates possibilities for adjusting to and minimising risk using current projects as examples. The first Insuring Resilient and Sustainable Cities Summit was held there in 2017.

The ICLEI World Congress 2018 will take place on 19-22 June 2018 in Montreal. One of the items on the agenda is a round table with insurance industry representatives and mayors of cities and communities. Reflecting SDG 11, the Insurance Development Goals for Cities, in which Munich Re was closely involved, will also be presented.

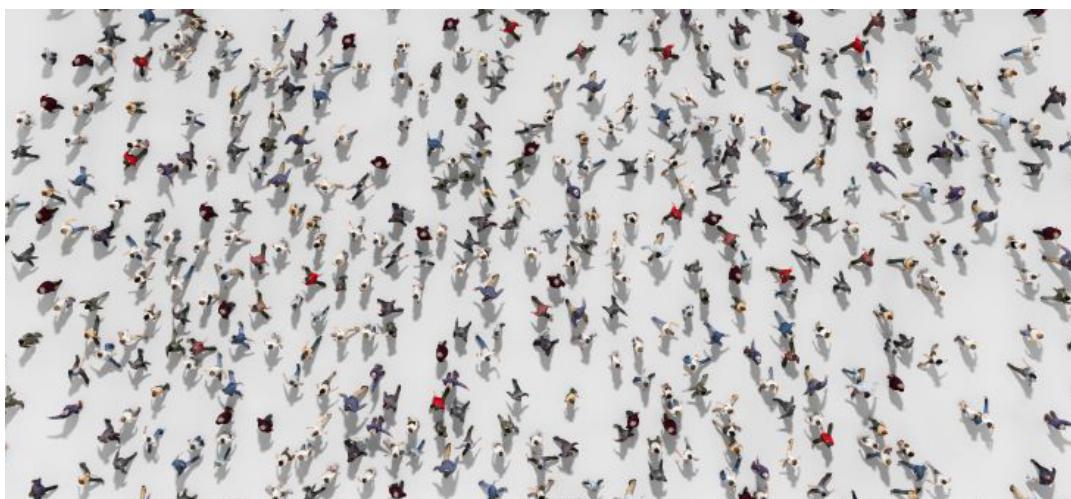
## The prospects for resilient cities and communities

Congestion, scant funds for basic service provision, a lack of housing and infrastructure – the challenges for resilient cities are great. But these can be overcome: the key requirement is that effective measures exist to counter negative influences and the consequences of catastrophes. Here, Munich Re is making a positive contribution with specialised finance and insurance solutions.

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## Specialised companies for development aid and catastrophe protection

Munich Re supports sustainability projects and organisations (e.g. in the development aid sector) via specialised spin-off companies. These focus on specific financing and risk management solutions.

Development projects and organisations offering private development aid and catastrophe protection often lack adequate financing and insurance solutions. In response to this, Munich Re has spun off specialised units which work independently and autonomously while still benefiting from the Group's know-how and network.

### sfr-consulting: A specialised service provider for project funding in emerging and developing countries

It is estimated that emerging and developing countries will require some three to four and a half billion US dollars a year to meet the **sustainable development goals (SDG)**. Even though states are also relying on the private sector here, financing SDG projects is often difficult. The hurdles include weak regulatory framework conditions, or a lack of sustainable or favourable financing options. Banks often refuse to make loans for such projects owing to the associated risks, and non-profit institutions cannot finance them alone.

Working together with development finance institutions and financial supporters, the Munich Re subsidiary sfr-consulting (Sustainable Finance Risk Consulting) develops risk-transfer solutions, mobilising private investment in SDG projects. Municipal development projects realised with the aid of private investors are one such example. "The surplus of investable private capital and the limited number of bankable SDG projects increase the risk of cut-throat competition between private and state capital", explains Managing Director Thomas Mahl. sfr-consulting has thus created a structure allowing development banks to enter the insurance ecosystem and improve the climate for investment through the assumption of risks. "We lay the groundwork for this as an intermediary and agent for development banks and insurers", says Thomas Mahl. sfr-consulting was founded in 2017 and is registered as an independent consultancy and broker.

### Supporting sustainable power generation in Sub-Saharan Africa

As part of the UN initiative Sustainable Energy for All (SE4ALL), Munich Re partnered with the European Investment Bank and two primary insurers to develop the risk-transfer solution African Energy Guarantee Facility (AEGF) and foster sustainable electricity generation in the sub-Saharan region. This provides protection against political risks to mobilise and expand private investment. As a sustainable (re-)insurance pool, AEGF is structured with risk-transfer tranches, which can be assumed by insurers and private financial institutions, for example.

### SIP: Companies offering security for development aid and catastrophe protection

Natural catastrophes, infrastructure deficiencies, obstacles in political or public-tender processes: development aid and catastrophe protection organisations face many risks which can lead to relief supplies or material assets being lost or damaged, or even – in the worst case – to injured persons.

Social Impact Partners (SIP), a joint venture between Munich Re and Hollard Insurance Group, offers solutions for the aforementioned organisations and for NGOs in this area. Examples of these solutions include covering aid shipment risks, offering donors greater transparency on how their money is spent, making funds available, and using them to ensure that aid reaches communities. SIP was also founded in 2017 and has offices in Munich and Johannesburg.

### Fighting AIDS, TB and Malaria more effectively

In 2014, Munich Re had already entered into a cooperation with the Global Fund, one of the key financing tools in the worldwide battle against AIDS, tuberculosis and malaria. SIP holds the operational responsibility for this partnership. Via holistic risk assessments and concrete recommendations for action derived from these, SIP supports the Global Fund in averting risks and protecting against property and reputation risks.

#### Further Topics

Topic: Climate change

Topic: Health care

#### Resilient cities and communities



Munich Re promotes resilience

#### City Innovation Platform



City Innovation Platform for African Infrastructure Risk and Resilience

#### After a disaster



Munich Re participates in risk pools

#### External Links

[www.sfr-consulting.com](http://www.sfr-consulting.com)

[www.socialimpactpartners.eu](http://www.socialimpactpartners.eu)

[www.un.org](http://www.un.org)

[www.munichre.com](http://www.munichre.com)

"In 2015, Ghana's Central Medical Stores, which the Global Fund also used, were practically razed in a fire. Because it had no insurance for this, the Global Fund suffered a proverbial total loss", said SIP founder Manuel Holzhauer. "Insurance cover is now in place and the fund can expect their medicines to be replaced quickly in case another such disaster would strike."

#### The common denominator

With sfr-consulting and Social Impact Partners, Munich Re is expanding its activities to include sustainable risk management and financing. This helps secure SDG projects in developing countries. And private development aid and catastrophe protection organisations benefit from more robust value chains, making sure aid gets through.

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provided by ICLEI Africa

## City Innovation Platform for African Infrastructure Risk and Resilience

Munich Re has been involved in the City Innovation Platform for African Infrastructure Risk and Resilience (CIP AIRR) Initiative since 2016. Together with partners from the insurance sector, the company supports sustainable urban development in Africa. In dialogue with city representatives, the initiative looks at how public infrastructure projects can be planned and implemented in a more sustainable way, and what contribution insurers can make.

In emerging and developing countries especially, adequate sustainable development of the type of infrastructure needed to promote economic and social development is often lacking. In fast-growing cities in particular, urban development often cannot keep up with population growth. Climate change intensifies and accelerates problems and can even bring a completely new set of challenges. Yet there are very few cases where investors and insurers are involved in the early stages of the planning and decision-making processes. After all, knowledge of the risks and how they can be avoided and minimised is essential for sustainable infrastructure developments, and financing can only be achieved with the help of professional risk management.

### Financial and insurance markets as stabilisers of society

Scientific research shows that effective financial and insurance markets provide positive impetus and stability following natural catastrophes, thereby enabling the consequences of disasters to be dealt with more quickly. In emerging and developing countries, however, most of the losses caused by such events are not insured.

This is where the CIP AIRR Initiative comes in: together with its partners, it aims to offer advice, propose solutions and, above all, raise political leaders' awareness of the insurance industry's supporting role. Together with the South African insurer Santam, the Principles for Sustainable Insurance Initiative and ICLEI, a network for sustainable development at municipal level, and other partners like UCT's African Centre for Cities, Marsh Risk Consultancy, Sanlam Africa Investments, Global Infrastructure Basel (GIB) and ClimateWise, Munich Re has developed a concept for a dialogue platform with cities.

The goal: cities and municipalities will be enabled to plan and implement infrastructure measures proactively, so that they can better withstand natural disasters and other negative impacts.

### A pilot project with potential

In October 2016, investors, insurers, municipal authorities, project developers, engineers and politicians were brought together in a pilot project with the Tanzanian capital city, Dar es Salaam. The participants developed ideas for more sustainable project planning and better risk management.

Dar es Salaam is a fast-growing metropolis and Tanzania's commercial centre. More than 4.3 million people live in this city on the Indian Ocean. With annual population growth of 4.39%, Dar es Salaam is in the top ten of the world's fastest-growing cities. This rising population poses major social, economic and ecological challenges for city officials.

Everyone was pleased with the results: the city's representatives had gained a clearer picture of the risks and how to deal with them. It also became clearer to them that insurers are able to assume residual or unavoidable risks. The project partners from the financial sector also had an opportunity to better understand the general conditions and problems of urban planning and to give them greater consideration in future.

It is hoped that the cooperation model will serve as best practice for other cities and the financial services industry and encourage other partners and regions to likewise initiate a process of dialogue. The results of the workshop and the knowledge of sustainable urban planning gained from the pilot project were therefore presented in a report by ClimateWise.

### Creating added social value with knowledge of risk

#### Further Topics

Topic: Climate change

Topic: Health care

#### Resilient cities and communities



Munich Re promotes resilience

#### Spin-off companies for sustainable development



Sustainable insurance solutions

#### After a disaster



Munich Re participates in risk pools

#### External Links

[City Innovation Platform](#)



Guide to multi-sector collaboration on infrastructure risk and resilience

As an insurance and reinsurance group that operates globally, Munich Re will continue to be involved in the initiative in the years ahead, while our partners will benefit from the company's expertise in risk minimisation and risk transfer. Munich Re has documented extensive data on natural hazards and can therefore provide valuable insights for urban planners. With specific knowledge on the region and markets, its branch in South Africa is a competent contact for clients there.



"As the Munich Re Group, we are excited to be associated with the CIP. As a reinsurer, we are particularly interested in how the CIP encourages long-term thinking to address wider societal issues and close the protection gap. We look forward to bringing our global experience in respect of such similar projects."

Boniface Chiwota, Executive Manager, Munich Reinsurance Company of Africa:

This involvement in the CIP AIRR underscores the shared value approach that Munich Re pursues as part of its corporate responsibility activities: combining business interests and added social value, sharing knowledge of risk and developing new coverage concepts. This initiative encourages the expansion of urban infrastructure in Africa and reduces the risks for the population. It therefore addresses two of the main challenges we want to tackle in the next three years: combating the effects of climate change and heightening risk awareness.

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## TOPICS

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Resilience

# Disaster prevention works

In developing and emerging countries, the vast majority of damage from natural disasters is not insured. The gap between insured and uninsured damage is much bigger than in industrial countries. Between 1980 and 2016, D&E countries accounted for 10% of global uninsured losses but just 1% of insured losses. Following a disaster, lack of insurance cover can delay reconstruction, or even make it impossible, particularly in poorer countries. Many developing countries have inadequate financial resources, and generally rely on external help when a disaster strikes.

09.03.2017

Partnerships between governments, supranational organisations and the insurance industry have proved useful in providing better financial cushioning against the consequences of natural disasters. As a risk carrier, Munich Re participates in various risk pools, offering transnational insurance cover against risks from weather-related disasters, and in some cases also against earthquakes and tsunamis. These pools have emerged over the last few years in the Caribbean (Caribbean Catastrophe Risk Insurance Facility, CCRIF), in Pacific island states (Pacific Catastrophe Risk Assessment & Finance Initiative, PCRAFI), and in Africa (African Risk Capacity, ARC).

CCRIF was founded in 2007 as the world's first risk pool, and has many participating countries in the region. It insures 16 Caribbean states against earthquakes and hurricanes, and operates like a mutual insurance society. The fund retains a portion of the risks insured by the member countries, and transfers the rest to the reinsurance market. Payments are linked to the intensity of a natural disaster using what are called parametric triggers, rather than actual loss figures. This is to ensure payments can be made promptly, thereby providing much-needed liquidity. Thanks to the pool set-up, the risks are spread more effectively, which in turn reduces the total costs.

Between 2007 and 2016, CCRIF paid out almost US\$ 68m in disaster aid to its member states. The largest payment was US\$ 23m to Haiti in 2016, less than two weeks after Hurricane Matthew had devastated the southwest of the island. In 2016, the pool was extended to Central America, when Nicaragua became the first country from this region to join. The range of cover was also extended to include insurance against torrential rain.

PCRAFI is a programme financed by various donors and administered by the World Bank. Under the insurance programme, the member states (Vanuatu, Solomon Islands, Cook Islands, Marshall Islands, Tonga, Fiji and Samoa) cede risks from tropical cyclones and earthquakes/tsunamis via an insurance derivative to the World Bank , which then passes on these risks to the insurance market.

The parametric triggers used here also facilitate prompt payouts. The funds that are made available can then be used for emergency aid and clear-up operations following a natural disaster. PCRAFI was developed in close cooperation with the participating nations in order to ensure their exact needs were met. This involvement gave the countries a more accurate picture of their own risk exposure, allowing them to coordinate measures for risk prevention and risk reduction.

In 2010, the African Union decided to develop ARC, a drought insurance programme for African countries. During an extreme drought, small farmers use up their provisions within a few months, and are then forced to slaughter their cattle. The drought insurance is intended to prevent this happening. To become a member, a country must have drought emergency aid plans in place. These specify how insurance payments are used in the event of a disaster. In this way, the population receives prompt assistance. People can buy new seed, food for themselves and feed for their cattle. The payments are made automatically once satellite images show that a specified loss threshold has been exceeded.

Another example of an insurance solution to strengthen resilience is FONDEN (Fondo de Desastres Naturales) in Mexico. It was established by the Mexican government in 1999 after it had designated disaster prevention a national priority. Its objective is to ensure that the public infrastructure can be rapidly restored after a natural disaster. All the federal states pay into the fund and if a loss event occurs, a local government can count on prompt payment. The fund is covered by a reinsurance policy.

One of the fund's main features is the detailed settlement or loss protocol, which forms part of the reinsurance treaty. The protocol defines the settlement process, and sets out deadlines and guidelines. As soon as independent sources have confirmed a disaster, the federal state affected draws up an initial loss estimate. After that, settlement follows the procedure defined in the loss protocol. FONDEN is therefore a programme that endeavours to make loss settlement transparent, as well as transferring the risk in question.

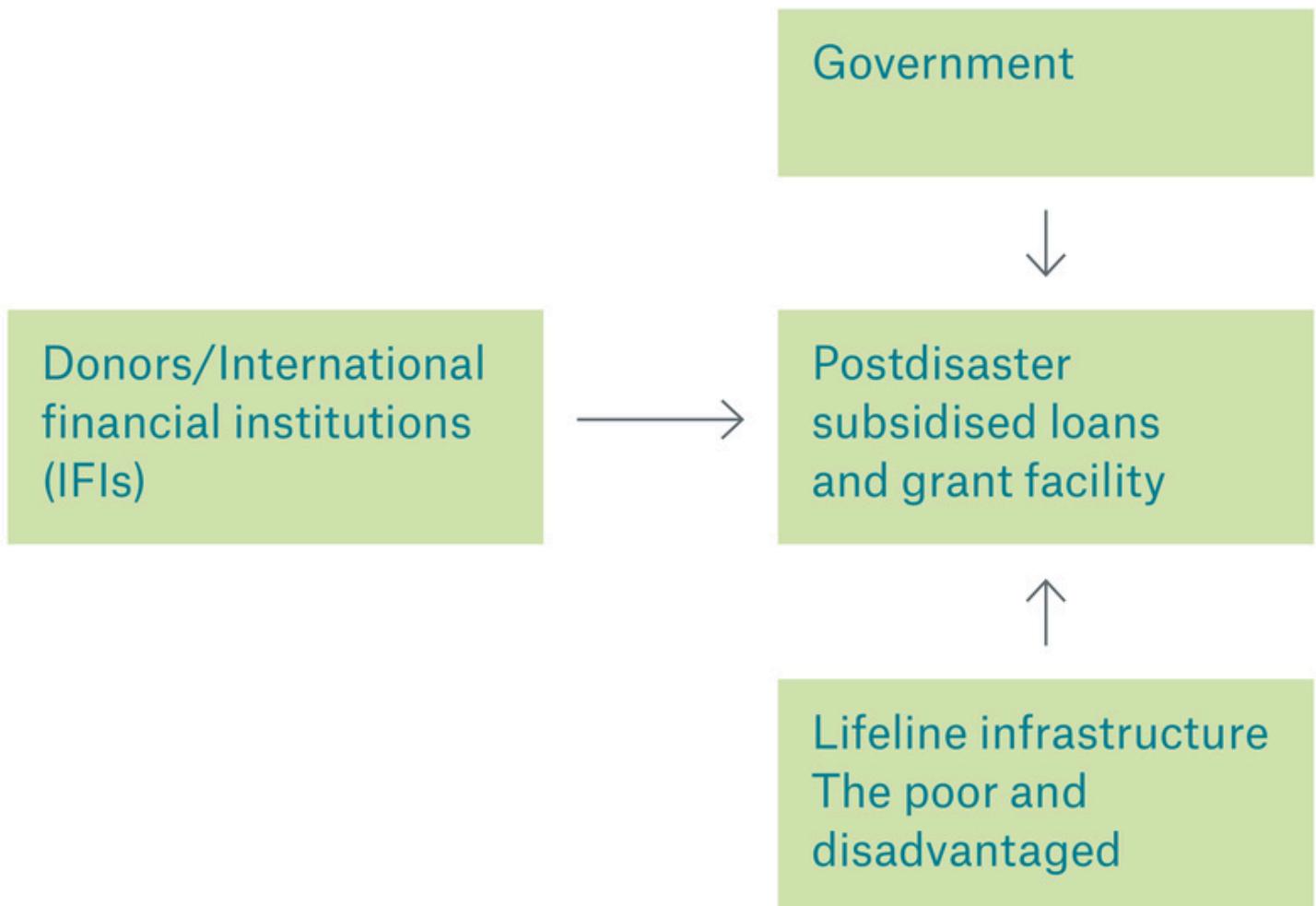
# Public-private partnership in catastrophe risk financing

Natural disasters usually result in large losses. The destruction of infrastructure and the breakdown in communication systems make it more difficult for the population to overcome the consequences of a disaster. A comparison between Hurricanes Katrina and Sandy illustrates the difference that preparedness and well-devised emergency plans can make. Whereas Katrina caused enormous damage due to inadequate flood protection and insufficient disaster preparation, with the result that the crisis response was slow and sluggish, when Hurricane Sandy struck seven years later, the New York/New Jersey region was spared much more serious consequences thanks to relatively good emergency planning.

The Department of Homeland Security used Katrina as an opportunity to make fundamental changes to its procedures, and take a more comprehensive approach. In future, all areas of society should be prepared to face emergencies of any kind. A Critical Infrastructure Task Force concluded that increasing resilience, rather than strengthening and extending protection measures, should be the top priority. As a result, FEMA, the national response coordination centre, had already initiated key measures before Sandy made landfall. As well as public institutions, private and charitable organisations were also involved in the preparations to identify what people on the ground most urgently required. FEMA set up depots with aid supplies, established emergency centres, and sent more than 900 staff to the region. And its efforts paid off: losses were kept within reasonable limits, and life in New York and New Jersey quickly got back to normal after Sandy.

Bangladesh has also learned from experience. In the early 1970s, the government introduced the Cyclone Preparedness Programme (CPP) after a cyclone had claimed the lives of 300,000 people there. The CPP has over 200 permanent staff, and has recruited almost 50,000 volunteer helpers. At its headquarters in the capital Dhaka, meteorological data on approaching cyclones are analysed and the information is passed on via radio, mobile phones and the internet. Volunteers receive first aid training, take part in exercises, and are equipped with everything they need in an emergency. Thousands of concrete shelters, many of them on stilts, have also been built so that people can take refuge during cyclones. Over the rest of the year, the buildings are generally used as schools. When, in 2007, a cyclone of similar strength to 1970 swept across the same region as, the number of fatalities was around 3,000 – significantly less than decades before.

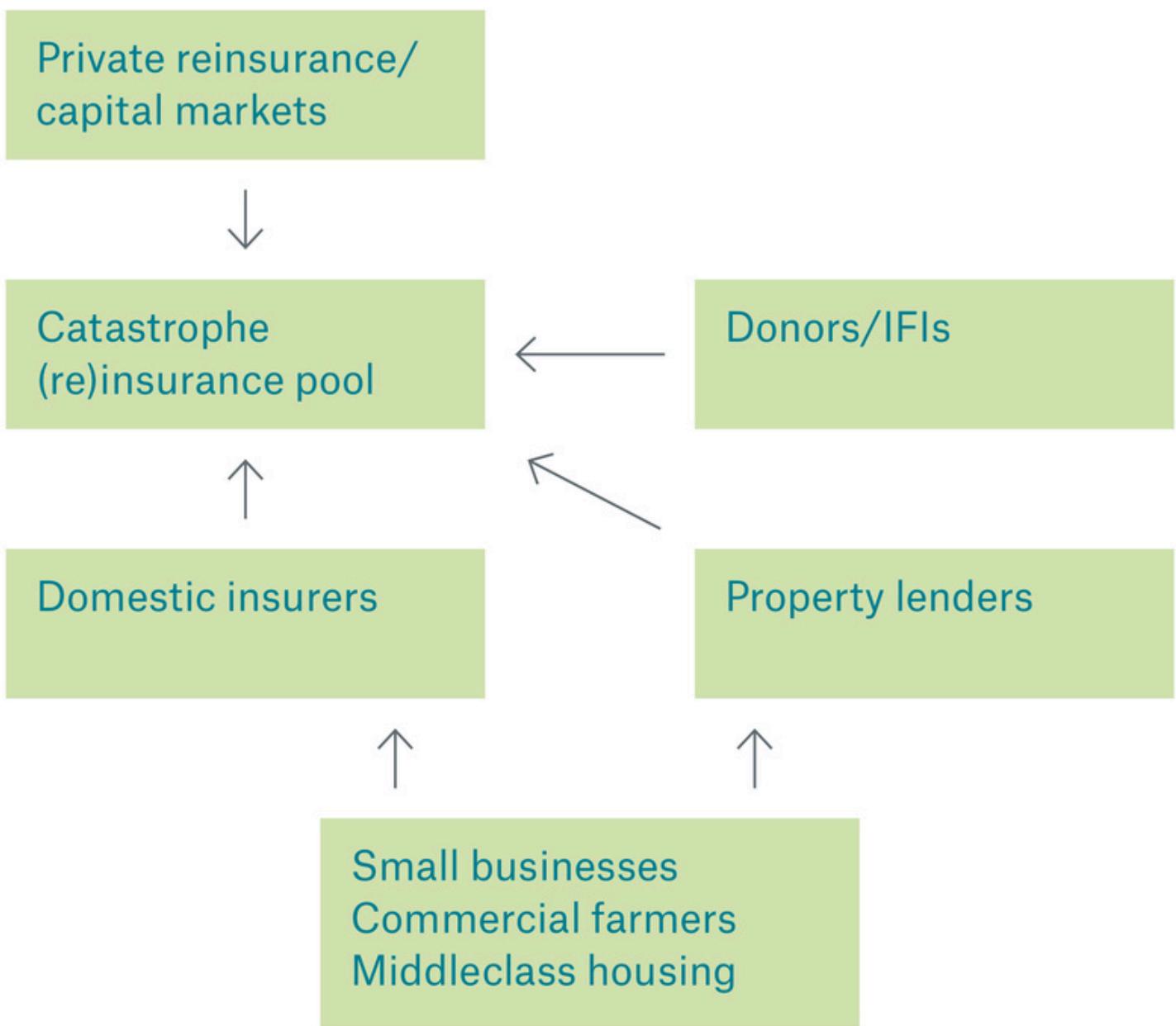
# Public responsibility



© Source: Munich Re, based on Global Facility for Disaster Reduction and Recovery (GFDRR)

Public responsibility

# Private responsibility



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Private responsibility

 Munich Re Experts



Dr.-Ing. Wolfgang Kron

is head of Research, Hydrological Hazards in Geo Risks Research and in charge of everything concerned with "water as a natural hazard".

[wkron@munichre.com](mailto:wkron@munichre.com)

MUNICH RE	STRATEGY	RESPONSIBILITY	TOPICS	KEY FIGURES	SERVICE	
Home	Key figures	Financial indicators				
<b>Financial indicators (IFRS)</b>						
<b>Key figures (IFRS)</b>						
Munich Re at a glance				2017	2016	2015
Gross premiums written	€bn	49.1	48.9	50.4	48.8	51.1
Net earned premiums	€bn	47.2	47.1	48.3	47.4	49.2
Net expenses for claims and benefits	€bn	-41.6	-38.5	-38.7	-39.7	-39.9
Net operating expenses	€bn	-12.2	-12.3	-12.4	-12.0	-12.4
Operating result	€m	1,241	4,025	4,819	4,027	4,398
Taxes on income	€m	298	-760	-476	312	-108
Consolidated result	€m	392	2,581	3,122	3,170	3,333
Attributable to non-controlling interests	€m	17	1	15	18	29
Earnings per share	€	2.44	16.13	18.73	18.31	18.45
Dividend per share	€	8.60	8.60	8.25	7.75	7.25
Dividend payout	€m	1,290	1,333	1,329	1,293	1,254
Share price at 31 December	€	180.75	179.65	184.55	165.75	160.15
Munich Reinsurance Company's market capitalisation at 31 December	€bn	28.0	28.9	30.8	28.7	28.7
Carrying amount per share	€	185.19	200.86	188.40	178.13	146.15
Investments <sup>1</sup>	€bn	217.6	221.8	217.6	218.9	202.2
Insurance-related investments	€bn	9.7	9.6	9.2	8.5	7.3
Equity	€bn	28.2	31.8	31.0	30.3	26.2
Return on equity	%	1.3	8.1	10.0	11.3	12.5
Off-balance-sheet unrealised gains and losses <sup>2</sup>	€bn	15.0	17.3	16.0	17.4	8.7
Net technical provisions	€bn	205.8	202.2	198.5	198.4	187.7
Balance sheet total	€bn	265.7	267.8	268.9	265.6	254.3
Staff at 31 December		42,410	43,428	43,554	43,316	44,665
<b>Reinsurance<sup>3</sup></b>		2017	2016	2015	2014	2013
Gross premiums written	€bn	31.6	31.5			
Investments (incl. insurance-related investments) <sup>1</sup>	€bn	85.8	91.9			
Net technical provisions	€bn	68.1	67.1			
Major losses (net)	€m	- 4,314	- 1,542	- 1,046	- 1,162	- 1,689
Natural catastrophe losses	€m	- 3,678	-929	-149	-538	-764
Combined ratio property-casualty	%	114.1	95.7	89.7	92.7	92.1
<b>ERGO<sup>3</sup></b>		2017	2016	2015	2014	2013
Gross premiums written	€bn	17.5	17.4			
Investments (incl. insurance-related investments) <sup>1</sup>	€bn	141.4	139.4			
Net technical provisions	€bn	137.6	135.2			
Combined ratio property-casualty Germany	%	97.5	97.0	97.9	95.3	96.7

**Related topics**

[Environmental indicators](#)  
[Employee indicators](#)  
[Social impact indicators](#)

**Downloads**

[Group annual report 2017 \(PDF, 1.5 MB\)](#)

ERGO	2017	2016	2015	2014	2013
Combined ratio International	%	95.3	98.0		

<sup>1</sup> Previous years' figures adjusted owing to IAS 8; see "Changes in accounting policies and other adjustments".

<sup>2</sup> Including those apportionable to minority interests and policyholders.

<sup>3</sup> Previous year's figures adjusted owing to a change in the composition of the reporting segments.

#### Taxes on income

Region	2017	
North America	€m	-10*
Asia Pacific	€m	18
Europe	€m	760
Other	€m	19
Total	€m	787

\* (-) tax income

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

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## Environmental indicators

# Our climate strategy: We create **more value** with **less CO<sub>2</sub>!**

A key component of our Group-wide environmental and climate protection strategy is the continuous reduction of our consumption of resources and our resulting CO<sub>2</sub> emissions.

In our reporting on our consumption of resources and CO<sub>2</sub> emissions, we focus on the main direct impacts of our business operations on the environment and climate. These are the consumption of paper, energy and water, the waste we produce and the number of business trips made. The resulting CO<sub>2</sub> emissions are measured and externally quality assured. The continuous reduction in these emissions is the main indicator of success for our environmental performance and has been targeted throughout the Group.

Munich Re (Group) environmental indicators		2017	2016	2015	2014
Proportion of employees captured by the certified environmental management system	% of employees	38**	38** <sup>1</sup>	38**	38
Proportion of employees captured by data collection	% of employees	83**	83**	84**	86
Direct energy consumption (e.g. oil, gas, fuels)	Megawatt hours (MWh) per employee	4.02**	3.79**	4.02**	4.3
Indirect energy consumption (e.g. electricity, district heating)	Megawatt hours (MWh) per employee	5.61**	5.63**	5.5**	5.7
Paper consumption	Tonnes (t) per employee	0.03**	0.03**	0.03**	0.04
Water consumption	Cubic metres (m <sup>3</sup> ) per employee	16**	16.9**	17.5**	17.9
Waste	Tonnes (t) per employee	0.27**	0.30**	0.25**	0.28
Business trips	Kilometres (km) per employee	6,984**	7,163**	7,825**	7,418
CO <sub>2</sub> emissions, kg per employee up to 2015*	Kilos (kg) per employee			3,872**	3,898
CO <sub>2</sub> emissions, kg per employee from 2016*	Kilos (kg) per employee	2,671**	2,813**		
No. of employees as at 31 December		42,410	43,428	43,554	43,316

<sup>1</sup> The indicator "Proportion of employees captured by the certified environmental management system" from the 2016 reporting year was adjusted slightly during this reporting period, primarily due to improved data quality.

You will find further detailed environmental indicators in the download area in the right-hand column.

### \*Notes on the environmental indicators:

To calculate the Group-wide carbon savings targets, from 2009 to 2015 ( $-10\%$  kg of CO<sub>2</sub> per employee) we used the conversion factors of the Greenhouse Gas Protocol (GHGP) and the Association for Environmental Management and Sustainability in Financial Institutions (VfU) – from 2011 in each case. Green electricity was not included in the accounting, thereby ensuring that the quantitative values remained comparable over the target period. In 2015, a new environmental and climate protection strategy was approved by the Board of Management

### Related topics

Financial indicators  
Employee indicators  
Social impact indicators

### Download

Munich Re (Group) Env. Indicators 2017 (XLSX, 33 KB)  
External verification environmental data 2017 (PDF, 37 KB)  
External verification environmental data 2016 (PDF, 14 KB)  
External verification environmental data 2015 (PDF, 137 KB)

### External links

ERGO environmental indicators

and the carbon savings target was expanded – from 2009 to 2020 we want to achieve Group-wide carbon savings (kg per employee) of 35%. The figures from 2016 and 2017 are only comparable to a limited extent with those from 2015 because different conversion factors were used in the calculation of CO<sub>2</sub> emissions and because CO<sub>2</sub> emissions from renewable energy sources are calculated differently.

From 2016, the Group's carbon emissions will be calculated on the basis of the latest conversion factors of the GHG Protocol and the VfU. The GHG Protocol will be used for the conversion of Scope 1 emissions (direct energy), for electricity falling under Scope 2 emissions (indirect energy) and for the "short- and long-haul flights" components of the "business trips" element of Scope 3 emissions. The Group-wide share of electricity from renewable sources of 78%\*\* (2016: 70%\*\*) is calculated at zero emissions. The VfU conversion factors are taken as the basis for calculating the Scope 2 emissions "district heating" and the Scope 3 emissions of paper, water and waste, as well as the "company vehicles, taxis, hire cars, train journeys" components of the "business trips" element. Business travel with Group vehicles is calculated using the individual factors of the respective fleet, where available.

You will find a more detailed discussion of the emission factors used up to and including 2015 in the overview of environmental indicators in the download area in the right-hand column.

#### **Carbon emission sources**

- Scope 1: direct emissions from primary energy consumption (natural gas, heating oil, emergency diesel generators, 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 indicators are verified Group-wide by an external auditing company.

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

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## Munich Re (Group) environmental indicators

In the table below, Munich Re provides additional environmental figures, thereby responding to increasing numbers of enquiries from external stakeholders and ensuring maximum transparency. Please note: at this time, 83% of the Group's employees are covered by the environmental data gathered. All figures we provide are extrapolated to 100% of the Group's employees. The conversion factors of the Greenhouse Gas Protocol (GHG Protocol) and the specifications from the Association for Environmental Management in Banks, Savings Banks, and Insurance Companies (Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten – VfU) were used to calculate the carbon emissions. Figures from 2016 are limited in their comparability to those from 2015 due to divergent applications of carbon emission factors as well as differences in the calculation of carbon emissions from regenerative energy sources.

For data from the 2017 financial year, these carbon emission factors from the GHG Protocol and VfU were applied in the latest available version. GHG protocol has been applied for most of the conversion factors of components of the Scope 1 and Scope 2 emissions, as well as the component "Long Haul and Short Haul Flights" in 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 country in question. Since 2017, consideration has been given to the fact that a share of 78%\*\* was obtained from regenerative energy sources Group-wide and calculated with zero emissions. The VfU conversion factors form the basis for calculating emissions from district heating and cooling (Scope 2) as well as Scope 3 emissions from paper, water and waste; and the components "Rail Travel, Taxi and Rented cars" of "Business Travel". Business travel with company cars is calculated with individual conversion factors of the respective site's fleet, if available.

Up to 2015, the conversion factors of GHG Protocol and VfU carbon emission factors were calculated as at 2011. The GHG protocol was applied for the conversion of components of the Scope 1 and Scope 2 emissions, as well as the components "Taxi" and "Rented Cars" in Scope 3 emissions. The conversion of electricity consumption into carbon emissions was based on country-specific conversion factors derived from the average electricity mix for the country in question. The conversion factors for the VfU formed the basis for calculating 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 was based) had the objective of improving the comparability of the quantitative values over that period. Carbon dioxide emission sources: direct emissions from primary energy consumption (natural gas, heating oil, diesel for emergency generator, fuel for company cars) – Scope 1, indirect emissions from power supplied by third parties (purchase of electricity, district heating and district cooling) – Scope 2, other indirect emissions (business travel, paper and water consumption, waste) – Scope 3.

General information	Unit	2017	2016	2015	2009 (base year)
Employees at 31 December	Number of employees	42.410	43.428	43.554	47.249
Proportion of employees captured by data collection	% of employees	83**	83**	84**	84
Proportion of employees covered by data collection verified by an external third party	% of employees covered by data collection	100**	100**	100**	Data not available
Proportion of employees captured by an ISO 14001 certified environmental management system	% of employees	38**	38** (*)	38**	Data not available
Gross premiums written by Munich Re (Group)	€bn	49,1	48,9	50,4	41,4

(\*) The KPI 'proportion of employees captured by an ISO 14001 certified environmental system' from the year under report in 2016 was adapted in this period under review slightly. This is due, primarily, to an improved data quality.

Emissions (absolute)	Unit	2017**	2016**	2015**	2009 (base year)
<b>Total CO<sub>2</sub> emissions<sup>1</sup></b>	Metric tonnes (t)	113.278	122.147	168.641	217.315
Direct CO <sub>2</sub> emissions (Scope 1)		47.880	47.761	58.929	65.931,60
Indirect CO <sub>2</sub> emissions (Scope 2) <sup>1</sup>		39.834	47.362	77.700	117.476
Other CO <sub>2</sub> indirect emissions (Scope 3)		25.563	27.023	32.012	33.352

<sup>1</sup> Green electricity first considered from 2016

Split of emissions from business travel, water consumption, paper consumption and waste	Unit	2017**	2016**	2015**	2009 (base year)
CO <sub>2</sub> emissions – Waste generated	Metric tonnes (t)	2.771	3.152	2.510	2.895
CO <sub>2</sub> emissions – Business travel		34.186	36.144	49.646	53.195
CO <sub>2</sub> emissions – Paper purchased		1.433	1.586	1.653	2.839
CO <sub>2</sub> emissions – Water purchased		473	516	569	639

Emissions (relative)	Unit	2017**	2016**	2015**	2009 (base year)
<b>Total CO<sub>2</sub> emissions<sup>1</sup></b>	Metric tonnes (t)/employee	2,67	2,81	3,87	4,60
Direct CO <sub>2</sub> emissions (Scope 1)		1,13	1,10	1,35	1,40
Indirect CO <sub>2</sub> emissions (Scope 2) <sup>1</sup>		0,94	1,09	1,78	2,49
Other indirect CO <sub>2</sub> emissions (upstream; includes business travel, paper, water and waste) (Scope 3)		0,60	0,62	0,74	0,71

Split of emissions from business travel, water consumption, paper consumption and waste	Unit	2017	2016	2015	2009 (base year)
CO <sub>2</sub> emissions – Waste generated	Metric tonnes (t)/employee	0,07**	0,07**	0,06**	0,06
CO <sub>2</sub> emissions – Business travel		0,81**	0,83**	1,14**	1,13
CO <sub>2</sub> emissions – Paper purchased		0,03**	0,04**	0,04**	0,06
CO <sub>2</sub> emissions – Water purchased		0,01**	0,01**	0,013**	0,014
Emission intensity: Total CO <sub>2</sub> emissions per gross premiums written	Metric tonnes/€m gross premiums written	2,31	2,50	3,35	5,25

Energy	Unit	2017	2016	2015	2009
Total direct energy consumption (e.g. oil, gas, fuels)	MWh	170.440**	164.575**	175.069**	195.291
Direct energy consumption per employee	MWh/employee	4,02**	3,79**	4,02**	4,13
Total indirect energy consumption (e.g. electricity, district heating)	MWh	237.893**	244.365**	241.882**	348.885
Indirect energy consumption per employee	MWh/employee	5,61**	5,63**	5,55**	7,38

Percentage of electricity sourced from renewables	%	78**	70**	69**	28
CO <sub>2</sub> emissions from energy per employee <sup>1</sup>	Metric tonnes (t)/employee	2,07**	2,19**	3,14**	3,88
Energy intensity: Total energy consumption per gross premiums written	MWh/€m gross premiums written	8,32	8,36	8,28	13,14

Paper	Unit	2017	2016	2015	2009
Total paper consumption	Metric tonnes (t)	1.214**	1.344**	1.378**	2.366
Paper consumption per employee	Metric tonnes (t)/employee	0,03**	0,03**	0,03**	0,05
Recycled paper	%	35	38	44	17
CO <sub>2</sub> emissions from paper per employee	Metric tonnes (t)/employee	0,03**	0,04**	0,04**	0,06
Paper intensitiy	Metric tonnes t/€m gross premiums written	0,02	0,03	0,03	0,06

Water	Unit	2017	2016	2015	2009
Total water consumption	m <sup>3</sup>	676.510**	737.865**	761.804**	859.181
Water consumption per employee	m <sup>3</sup> /employee	16**	17**	17,5**	18,2
CO <sub>2</sub> emissions from water per employee	metric tonnes (t)/employee	0,011**	0,012**	0,013**	0,014
Water intensity	m <sup>3</sup> /€m gross premiums written	13,8	15,1	15,1	20,7

Waste	Unit	2017	2016	2015	2009
Total waste		11.592**	12.972**	10.952**	14.054
Incinerated waste (hazardous)		21	36	21	26,1
Incinerated waste (non-hazardous)		2.601	2.755	1.958	2.472
Recycled waste (hazardous)		81	95	90	24,8
Recycled waste (non-hazardous)		6.299	7.337	6.102	8.796
Organic and valuable recycled waste		7.530	8.677	7.329	9.852
Waste to landfill (hazardous)		0	0	0	13,4
Waste to landfill (non-hazardous)		1.071	1.001	1.195	1.176
Waste per employee	Metric tonnes (t) per employee	0,27**	0,30**	0,25**	0,30
CO <sub>2</sub> emissions from waste per employee	Metric tonnes (t) per employee	0,07**	0,07**	0,06**	0,06
Waste intensity	Metric tonnes t/€m gross premiums written	0,24	0,27	0,22	0,34

Business travel	Unit	2017	2016	2015	2009
Total business travel		296.208.905**	311.075.398**	340.802.014**	350.167.683
Air travel	Kilometres (km)	175.985.436**	182.146.431**	204.699.033**	189.257.132
Road, rail travel		110.846.062**	117.880.069**	136.102.981**	160.910.551
Business travel per employee	km/employee	6.984**	7.163**	7.825**	7.411
CO <sub>2</sub> emissions from business travel per employee	metric tonnes (t) CO <sub>2</sub> / employee	0,81**	0,83**	1,14**	1,13
Business travel intensity	km/€m gross premiums written	6.033	6.361	6.765	8.453

Emissions breakdown by region	Unit	2017	2016	2015	2009
<b>Germany</b>					
Direct CO <sub>2</sub> emissions (Scope 1)		27.059	27.167	32.432	42.889
Indirect CO <sub>2</sub> emissions (Scope 2) <sup>1</sup>	Metric tonnes (t)	7.328	7.806	42.720	59.011
Other CO <sub>2</sub> indirect emissions (Scope 3)		10.318	10.894	14.448	14.668
<b>Rest of the world (ex Germany)</b>					
Direct CO <sub>2</sub> emissions (Scope 1)		20.822	20.595	26.497	23.043
Indirect CO <sub>2</sub> emissions (Scope 2)	Metric tonnes (t)	32.506	39.556	34.981	58.465
Other CO <sub>2</sub> indirect emissions (Scope 3)		15.245	16.129	17.564	18.684

Energy breakdown by type	Unit	2017	2016	2015	2009
Total energy consumption		408.334	408.940	416.952	543.365
Liquid fuels		956	890	832	573
Natural gas		169.484	163.685	174.237	194.718
Natural gas for cogeneration		140.332	132.857	145.540	65.715
On-site energy generation	MWh	114.369	132.416	125.303	0
Electricity consumed		142.372	149.967	152.036	236.939
Green electricity consumed		110.966	105.569	104.525	67.032
District cooling		10.888	11.417	8.588	12.998
District heating		84.633	82.982	81.259	98.136

\*\* The environmental indicators were verified by an external auditor in 2015, 2016 and 2017.

\*\*\* The figures of the fiscal year 2009 are comparable with the figures of 2016 only to a limited extent. See information about calculation methods in the text above.

## Employee indicators

**Female expertise:  
34% of our managers and 55% of our  
employees are women**

Highly qualified, motivated and performance-oriented staff are key to the success of our business. There are currently 42,400 people working at Munich Re (Group). 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 2014–2017.

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

Indicator		2017	2016	2015	2014
Staff	(abs.)	42,410	43,428	43,554	43,316
Employees by line of business					
	Reinsurance (%)	28.6	27.9	27.6	27.1
	Primary insurance (%)	71.4	66.2	66.6	65.9
	Asset management (%)* <sup>1</sup>	...* <sup>1</sup>	...* <sup>1</sup>	...* <sup>1</sup>	...* <sup>1</sup>
	Munich Health (%)	...* <sup>9</sup>	5.9	5.7	7.0
Group staff by region					
	Germany (%)	47.1	48.5	50.1	50.6
	Rest of Europe (%)	37.5	35.9	34.5	33.7
	North America (%)	12.1	12.1	12.5	12.4
	Asia and Australasia (%)	2.4	2.5	2.1	1.8
	Africa and Middle East (%)	0.6	0.6	0.6	1.2
	Latin America (%)	0.4	0.4	0.3	0.3
Percentage of female staff					
	Female employees (%)	54.5	54.0	54.0	53.9
	Women in management (%)	33.5	32.6	30.8	31.1
Group staff by age					
	20 or younger (%)	0.3	0.2	0.2	0.2
	21-25 (%)	3.5	3.5	3.7	3.6
	26-30 (%)	9.2	9.7	10.2	11.0
	31-35 (%)	13.7	13.5	13.7	13.8
	36-40 (%)	14.0	14.1	14.3	14.3
	41-45 (%)	14.0	14.7	15.4	16.2
	46-50 (%)	16.7	16.9	16.9	16.9
	51-55 (%)	15.1	14.4	14.0	13.1

### Related topics

[Responsibility: Employees](#)  
[Financial indicators](#)  
[Environmental indicators](#)  
[Social impact indicators](#)

### External Links

[ERGO employee indicators](#)

Indicator		2017	2016	2015	2014
Age group	56-60 (%)	9.5	9.1	8.1	7.5
	over 60 (%)	4.0	3.9	3.5	3.4
No. of staff by type of employment contract	Permanent employment (%)	93.4	95.8	95.4	96.8
	Temporary employment (%)	6.6	4.2	4.6	3.2
Salaried employees	Full-time (abs.) - female	15,280	15,558	15,963	14,135
	Part-time (abs.) - female	6,679	7,007	6,654	5,973
	Total (abs.) - female	21,959	22,565	22,617	20,108
	Full-time (abs.) - male	18,031	18,767	18,974	17,115
	Part-time (abs.) - male	1,179	1,190	1,169	944
	Total (abs.) - male	19,210	19,957	20,143	18,109
	Full-time (abs.)	33,311	34,325	34,937	30,879
	Part-time (abs.)	7,858	8,197	7,823	6,967
	Total (abs.)	41,169	42,522	42,760	37,746
Sick leave	(%)	4.7 <sup>*3</sup>	4.2 <sup>*3</sup>	6.6 <sup>*3</sup>	4.3 <sup>*3</sup>
Staff turnover	Weighted average turnover rate (%)	15.1	11.9	10.5	11.8
	Voluntary fluctuation (%)	5.7	4.3	4.1	3.4 <sup>*6</sup>
	Lay-offs (abs.)	744	591	388	544
Open positions filled by internal candidates	(%)	17.1 <sup>*5</sup>	30.0 <sup>*3</sup>	78.8 <sup>*7</sup>	89.3 <sup>*7</sup>
Length of service	Years (Ø)	13.0	13.1	12.7	12.3
Training	Training costs per staff member (€)	944 <sup>*5</sup>	917 <sup>*4</sup>	981 <sup>*4</sup>	898 <sup>*3</sup>
	No. of days' training per staff member (Ø)	3.0 <sup>*4</sup>	3.0 <sup>*3</sup>	4.0 <sup>*3</sup>	3.2 <sup>*4</sup>
Employees receiving regular performance and career development reviews	(%)	100.0	100.0	100.0	100.0
Employees covered by collective bargaining agreements	(%)	96 <sup>*8</sup>	96 <sup>*8</sup>	96 <sup>*5</sup>	96 <sup>*5</sup>

\*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))

\*8 Coverage: Munich Re (Group) Germany ~50% Munich Re (Group)

\*9 Munich Health integration in early 2017: Allocation of units to reinsurance and primary insurance

### Comments

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

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## Social impact indicators

### Related topics

[Financial indicators](#)  
[Employee indicators](#)  
[Environmental indicators](#)

**A point of honour:** our employees did approximately **10,000 hours** of **voluntary work** in 2017

There is a long tradition of social commitment at Munich Re. As part of our shared-value approach, we focus on three global challenges that are closely connected with our core business: combating the effects of climate change, improving access to healthcare, and enhancing risk awareness.

Below is a list of the social impact expenses of Munich Re (Group).

### Social impact (SI) indicators

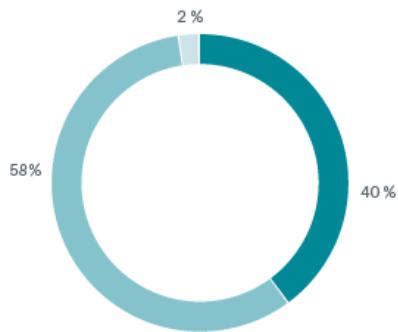
Indicator	Unit	2017	2016	2015	2014
Coverage Munich Re Group	%	99.8	99.6	95.3	95.5
SI expenses of Munich Re Group*	€	5,293,821	4,727,050	7,114,356	6,480,170
Total SI expenses**	€	8,771,058	7,738,945	10,390,192	9,328,608

\* This amount is made up of donations (excluding donations in kind and political donations), social sponsorships (excluding sponsorship in kind) and corporate responsibility memberships. In 2017, these expenses made up 0.43% of the pre-tax result.

\*\* This amount additionally includes donations in kind, political donations, sponsorship in kind, corporate volunteering expenses, and our foundations' expenses. In 2017, these expenses made up 0.7% of the pre-tax result.

### Social impact expenses 2017

Social Impact expenses of Munich Re (Group)  
In 2017: €5,293,820\*



- Activities at our locations €2,118,201
- Social impact projects that pay into the three global challenges €3,077,110
  - 1. Combating the effects of climate change
  - 2. Improving access to healthcare
  - 3. Enhancing risk awareness
- Disaster relief €98,509

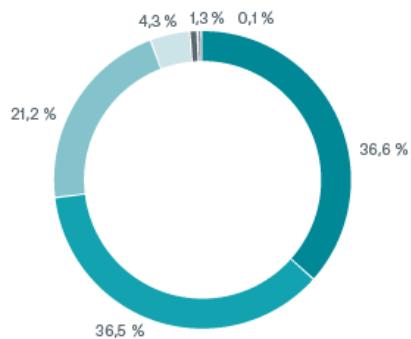
\* This amount is made up of donations (excluding donations in kind and political donations), social sponsorships (excluding sponsorship in kind) and corporate responsibility memberships.

Additional social impact expenses:

Donations/sponsoring in kind €24,761  
 Political donations €170,500  
 Corporate volunteering €862,997  
 ERGO foundations €683,977  
 Munich Re foundations €1,735,002

#### Social impact expenses 2017 (regional classification)

Social Impact expenses 2017 (regional classification)\*



- North America €1,935,514
- Germany €1,931,773
- Europe (excluding Germany) €1,122,154
- Australia and New Zealand €228,914
- Africa €67,646
- Latin America €6,125
- Asia €1,694

\* This amount is made up of donations (excluding donations in kind and political donations), social sponsorships (excluding sponsorship in kind) and corporate responsibility memberships.

#### Political engagement

Munich Re (Group) supports the democratic political process and, to this end, donates to the following parties: Bündnis 90/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. 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 respectively. In 2017, political donations amounted to €170,500 overall.

Through its lobbying activities, Munich Re (Group) remains in continuous exchange with various organisations in which it is also a member. The table below shows a selection of the most strategically important institutions with Group-wide significance, which have multi-sectoral and/or international activity.

Association/Organisation	Unit	Membership fees 2017*
Association of German Insurers (GDV)	€	3,000,000
Geneva Association	€	140,000
European Insurance CFO Forum (CFO Forum)	€	90,000
Chief Risk Officer Forum	€	30,000
Insurance Europe Reinsurance Advisory Board (RAB)	€	15,000

\* These amounts do not form part of our aforementioned social impact expenses.

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

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## Key figures

[Financial indicators](#)[Environmental indicators](#)[Employee indicators](#)[Social impact indicators](#)[GRI Content Index and Global Compact  
Communication on Progress](#)[SRI indices, SRI ratings and awards](#)[PRI reporting](#)[PSI reporting](#)

### Related topics

[Social Impact](#)  
[Investor Relations](#)

## Munich Re corporate responsibility strategy rated positively

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

The inclusion of Munich Re (Group) in numerous sustainability indices and our good to very good results in many different SRI ratings show that we are on the right track here.

As there are so many SRI rating and ranking programmes, our SRI rating strategy outlines the criteria that determine which programmes we participate in: the basic prerequisite for our participation in an SRI rating is that it involves a broad-based approach to sustainability, i.e. considers environmental, social and governance (ESG) aspects. Transparent methodology and a comprehensible assessment system are also essential.

### SRI indices



In Collaboration with RobecoSAM

#### Included in the DJSI for many years

Munich Re has been continually listed in the Dow Jones Sustainability Indices (World and Europe) since 2001.



#### Munich Re listed in ethical indices

The Italian asset management company ECPI includes Munich Re in the ECPI Global Ethical, ECPI World ESG Equity and ECPI Global Climate Change Equity indices.



#### Represented again in two Ethibel Forum indices

Munich Re is represented in the ESI (Ethibel Sustainability Index) Excellence Europe and the ESI Excellence Global. Ethibel is an independent French consulting agency specialising in socially responsible investments and uses data from the research provider Vigeo Eiris for its ratings.



## FTSE4Good

#### Munich Re listed in FTSE4Good index series

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



#### Munich Re represented in Vigeo Eiris indices

Munich Re has been included in the Euronext Vigeo World 120 and Euronext Vigeo Europe 120 indices since 2012, and in the Euronext Vigeo Eurozone 120 since 2013.



#### Munich Re listed in the STOXX® Global ESG Leaders Index

The Global ESG Leaders Index ranks leading companies according to ESG criteria. The list is based on analyses conducted by Sustainalytics.

#### SRI ratings



##### Industry leader in Sustainalytics' industry rating

In 2017, Munich Re achieved a very good second place in the insurance sector in the Sustainalytics' industry rating.

#### Bloomberg

##### Munich Re among industry leaders

Bloomberg analyses and evaluates corporate transparency in regard to environmental, social and governance (ESG) aspects. Munich Re is among the companies being evaluated annually.

##### Good rating from MSCI

In 2017, Munich Re received a rating of AA in the MSCI ESG Ratings assessment.



##### Prime rating

Munich Re was again awarded a "prime" corporate responsibility rating by oekom research in 2017, thus maintaining its insurance sector best-in-class status. oekom research is one of the world's leading SRI rating agencies.

#### Awards



##### Munich Re subsidiary DKV Seguros: "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 2018" in the category for companies with between 500 and 1,000 employees. The company took third place in the ranking for the 50 best workplaces in 2018.

#### PLUGANDPLAY

##### Plug and Play InsurTech Award

The Silicon Valley based and globally expanding accelerator Plug and Play awarded Munich Re as the most innovative corporate in the InsurTech space for its engagement and support of the start-up ecosystem.



##### Apollo Munich Health Insurance Company Ltd. places third in the Indian financial sector

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.



##### Family-friendly company: DKV Seguros

DKV Seguros was awarded the FFC ["EFR" in Spanish] seal of quality as a family-friendly company by the Másfamilia Foundation. The foundation is committed to establishing processes that create a work-life balance in companies.

##### 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 certificate of quality**  
D.A.S. D.A.S. Austria was once again recognised for its successful workplace health promotion projects. It has again been awarded the certificate of quality for the sustainability of its healthcare programmes for the period 2015 to 2017.



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



**BOMA Awards for Munich Re in Canada and America**  
Some Munich Re buildings have received awards from the Building Owners and Management Association (BOMA) for their high energy efficiency. The office buildings of Munich Re America now bear the "BOMA 360" quality seal, while the office buildings of Munich Re Company of Canada have also received the "BOMA BEST" award.



**LEED Gold and Platinum certificates**  
Munich Re America and DKV Seguros buildings received various LEED certifications, including the highest award, LEED Platinum. LEED (Leadership in Energy and Environmental Design) is a leading certification system for environmentally friendly, resource-saving, sustainable construction.



**Munich Re awarded DZ Bank Seal of Quality for Sustainability**  
DZ Bank Sustainable Investment Research evaluated economic, environmental, social and corporate governance criteria. Sustainable investments are awarded the DZ Bank Seal of Quality for Sustainability.

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# Factsheet

## Corporate Responsibility

Version: May 2018

### Company portrait

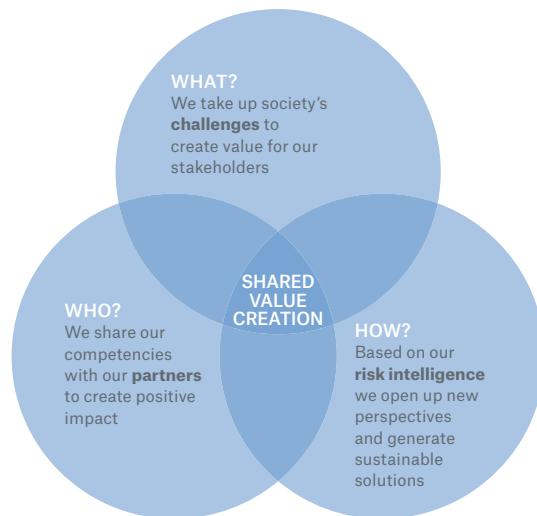
Munich Re stands for exceptional solution-based expertise, consistent risk management, financial stability and client proximity. The Group, which combines primary insurance and reinsurance under one roof, operates in all lines of insurance, with 42,410 employees throughout the world. Munich Re's primary insurance operations are concentrated in ERGO, and its investments worldwide are managed by MEAG, which also offers its expertise to private and institutional investors outside the Group.

### Our voluntary commitments



### Corporate Responsibility at Munich Re

For Munich Re, acting responsibly means creating value for society and for our own Group. This shared value approach, upon which Munich Re's corporate responsibility strategy is based, helps ensure that our strengths and abilities can be used optimally. Here, we focus on three topics to which we attach particular significance. With our resources and risk expertise we aim to contribute to combating the effects of climate change, improving access to healthcare, and enhancing risk awareness.



### Focus on four fields of action

#### Corporate Responsibility in business

We proactively consider environmental, social and governance (ESG) aspects in our insurance business and investment management.

#### Environmental management

We have built up a group-wide environmental management system and our operations have been carbon-neutral since 2015.

#### Social impact projects

With our social commitment, we play our part as a responsible Group and place the emphasis on projects that are close to our core business.

#### Reporting and communication

We regularly and transparently report on our activities and successes. We are also in continuous dialogue with our stakeholders.

## Key indicators for Munich Re as at 31 December 2017

<b>Financial indicators</b>		<b>2017</b>	<b>2016</b>	<b>2015</b>
Gross premiums written	€bn	49.1	48.9	50.4
Consolidated result	€m	392	2,581	3,122
Dividend per share	€	8.60	8.60	8.25
Investments	€bn	217.6	221.8	217.6
Free float	%	100	100	100

<b>Environmental indicators*</b>		<b>2017</b>	<b>2016</b>	<b>2015</b>
Proportion of employees captured by the certified environmental management system (ISO 14001)	% of employees	38	38	38
Proportion of employees captured by data collection	% of employees	83	83	84
CO <sub>2</sub> emissions per employee <sup>1</sup>	Kilogrammes (kg) per employee	2,671	2,813	3,872
Total CO <sub>2</sub> emissions <sup>2</sup>	Tonnes (t)	113,278	122,147	168,641
Direct CO <sub>2</sub> emissions (Scope 1)	Tonnes (t)	47,880	47,761	58,929
Indirect CO <sub>2</sub> emissions (Scope 2) <sup>2</sup>	Tonnes (t)	39,834	47,362	77,700
Other indirect CO <sub>2</sub> emissions (Scope 3)	Tonnes (t)	25,563	27,023	32,012

<b>Employee indicators</b>		<b>2017</b>	<b>2016</b>	<b>2015</b>
Days' training per employee	Average	3.0	3.0	4.0
Women in management	%	33.5	32.6	30.8
Weighted average turnover rate	%	15.1	11.9	10.5

<b>Social impact (SI) indicators</b>		<b>2017</b>	<b>2016</b>	<b>2015</b>
Total SI expenses <sup>3</sup>	€	8,771,058	7,738,945	10,390,192
Voluntary work by Munich Re staff members	Hours	10,035	7,500	7,000

## Socially Responsible Investment (SRI) ratings

### Bloomberg

#### Munich Re among industry leaders

Bloomberg analyses and evaluates corporate transparency in regard to environmental, social and governance (ESG) aspects. Munich Re is among the companies evaluated annually.



In Collaboration with RobecoSAM

#### Included in the DJSI for many years

Munich Re has been continually listed in the Dow Jones Sustainability Indices since 2001, with a rating always above average.



FTSE4Good

#### Munich Re listed in FTSE4Good index series

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#### Good rating from MSCI

In 2017, Munich Re received a rating of AA in the MSCI ESG Ratings assessment.



#### Prime rating

Munich Re was again awarded a "prime" corporate responsibility rating by oekom research in 2017, thus maintaining its insurance sector best-in-class status.



#### Industry leader in Sustainalytics' industry rating

In 2017, Munich Re came a very good second in the insurance sector in Sustainalytics' industry rating.



#### Munich Re represented in Vigeo Eiris indices

Munich Re has been included in the Euronext Vigeo World 120 and Euronext Vigeo Europe 120 indices since 2012, and in the Euronext Vigeo Eurozone 120 since 2013.

## Contact



### Sustainability:

Renate Bleich  
Head of Department  
Sustainability

### Corporate Responsibility Portal:

[www.munichre.com/  
corporate-responsibility](http://www.munichre.com/corporate-responsibility)

### Non-financial statement:

[www.munichre.com/cg-en](http://www.munichre.com/cg-en)

### Email:

[responsibility@munichre.com](mailto:responsibility@munichre.com)

## Responsibility in business

Financial indicators

Environmental indicators

Employee indicators

Social impact indicators

GRI Content Index and Global Compact  
Communication on Progress

SRI indices, SRI ratings and awards

PRI reporting

PSI reporting

## 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." <b>Sustainable investment process</b>	<ul style="list-style-type: none"> <li>■ 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.</li> <li>■ If two risk-returns profiles are identical, we select the more sustainable issuer.</li> </ul>
2	"We will be active owners and incorporate ESG issues into our ownership policies and practices." <b>Active investor</b>	<ul style="list-style-type: none"> <li>■ We communicate our investment criteria openly and address these in dialogue with the companies we work with.</li> <li>■ 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.</li> </ul>
3	"We will seek appropriate disclosure on ESG issues by the entities in which we invest." <b>Sustainability disclosure</b>	<ul style="list-style-type: none"> <li>■ For the mutual funds, MEAG Nachhaltigkeit, MEAG EM Rent Nachhaltigkeit and MEAG FairReturn, we request information relevant to our sustainable investment criteria from the issuers.</li> <li>■ We have taken sustainability criteria into account when purchasing real estate since 2007.</li> </ul>
4	"We will promote acceptance and implementation of the Principles within the investment industry." <b>Patron of PRI</b>	<ul style="list-style-type: none"> <li>■ We proclaim and stress our principles via through publications in the media and by participating in presentations and conferences on sustainability.</li> <li>■ With individual funds and activities, we show how responsible management can be put into practice: <ul style="list-style-type: none"> <li>■ Investments in infrastructure with a focus on renewable energies,</li> <li>■ MEAG Nachhaltigkeit,</li> <li>■ MEAG EM Rent Nachhaltigkeit,</li> <li>■ MEAG FairReturn.</li> </ul> </li> </ul>
5	"We will work together to enhance our effectiveness in implementing the Principles." <b>Cooperation to realise the PRI</b>	<ul style="list-style-type: none"> <li>■ Through its PRI membership, Munich Re contributes to the further development and propagation of the principles.</li> <li>■ We are driving the exchange of experience forward with other PRI members in Germany and around the world.</li> </ul>

### Related topics

Objectives and measures  
Our guiding principles  
Challenges: Climate change  
CR in investment

### External links

UN: Principles for Responsible Investment  
Munich Re PRI Transparency Report 2017

No.	Principle	Examples of measures
6	<p>"We will each report on our activities and progress towards implementing the Principles."</p> <p><b>Reporting on activities and progress relevant to PRI</b></p>	<ul style="list-style-type: none"> <li>■ We participate in UNEP's annual PRI Reporting and Assessment Survey.</li> <li>■ We report on the PRI and our activities pertaining to it (such as reports and ESG analyst discussions).</li> <li>■ Munich Re takes part in ESG ratings and factors appraisals into corporate decision-making.</li> </ul>

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

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## Responsibility in business

[Financial indicators](#)[Environmental indicators](#)[Employee indicators](#)[Social impact indicators](#)[GRI Content Index and Global Compact Communication on Progress](#)[SRI indices, SRI ratings and awards](#)[PRI reporting](#)[PSI reporting](#)

## Principles for Sustainable Insurance – Corporate responsibility in business

Over the past one and a half years Munich Re has sharpened its corporate responsibility strategy, gearing it even more towards the creation of shared value. It is our firm belief that responsible business conduct will generate added value to both our Group and society at large. In our core business of primary insurance and reinsurance, and also in our associated investments, the Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investments (PRI) are important guiding frameworks for us.

These two codes, and other voluntary commitments the Group has made, go well beyond what is required by law or supervisory regulations. By implementing them resolutely, we meet our stakeholders' demands in terms of our corporate responsibility.

### Principles for Sustainable Insurance

Our understanding of sustainability is one of managing risks and creating opportunities. The objective of sustainable economic value creation is anchored in the core principles of our corporate strategy and underscored by our shared value concept. By taking into account environmental, social and governance (ESG) aspects, we can achieve the maximum effect for our Group and society.

### Statement by the CEO

As a leading global player, Munich Re (Group) works together with various market participants from the insurance and financial services industry as well as the widest possible range of other stakeholders. Within the framework of the PSI, we connect these players' relevant expertise with our own and put it to optimal use in support of various initiatives.

The following examples from 2017 show how Munich Re (Group) is living the four principles in its day-to-day business:

#### Principle 1

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

In our insurance business, we make systematic allowance for environmental, social and governance (ESG) aspects. This holds true in our internal underwriting processes and also applies to our products and services.

#### Corporate responsibility in business Corporate responsibility in insurance

To ensure that our commitment is implemented and put into practice, ESG criteria are taken into consideration for both, annual and multi-year bonuses, when evaluating the overall performance of members of the Board of Management.

[Annual Report 2017 \(PDF, 1.5 MB\)](#) (p. 29 pp)

As early as in 2013, we established a cross-business-field Group Corporate Responsibility Committee (**GCRC**), which advises the Board of Management on the development of our sustainability strategy. The GCRC 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.

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

[External Link](#)

PSI Signatories: Signatory companies

## Sensitive Issues: Munich Re positions and measures

<b>Banned weapons</b> Policy on cluster munition and land mines	<b>Mining</b> Position paper including specific questions on ESG aspects	<b>ESG Tool</b> Assessment of different industries (e.g. engineering business)
<b>Fracking</b> Position paper including specific questions on ESG aspects	<b>Arctic drilling</b> Guideline, risks to be referred to Arctic Drilling Panel	<b>ESG country rating</b> Exclusion of investments in government bonds of substandard countries
<b>Oil sands</b> Position paper including specific questions on ESG aspects	<b>Investments in farmland</b> Mandatory ESG check for investments	<b>Sensitive issues under observation</b> Tax evasion, pulp and paper, palm oil

© Ergo Group AG, Munich Re

Individual transactions of potential concern are submitted to the Reputational Risk Committees (RRCs) which 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.

With our approach, full responsibility for each transaction intentionally 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 programmes, 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 primary insurance business field, the analysis of ESG aspects has been a standard component in the product development process for private clients since 2014. ESG aspects are also taken into consideration when writing individual risks in corporate client business. In our sales units, the ERGO Compass – a standardised, technically supported guideline for advising clients – ensures a consistently high level of consulting quality.

### Corporate responsibility in insurance business

New kinds of risks and global challenges call for new approaches, for example in the field of renewable energies and innovative technologies, in dealing with climate change, or with access to insurance in emerging and developing countries. ESG aspects are also taken into consideration in the development of innovative coverage 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 approach.

An ESG tool for engineering projects, developed in 2013, was continually extended to other industry sectors. It supports our underwriters in systematically incorporating ESG aspects into their risk assessment. Furthermore, it helps our asset managers to assess risks when investing in infrastructure projects.

Our primary insurer ERGO attaches great 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. 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 relevant ESG standards: ERGO thus labels, for example, a car insurance for e-vehicles with special batteries with an "ESG icon". The range of products is continuously being expanded. In the sales process, the ERGO Compass – a standardised, technically supported guideline for advising clients – ensures a consistently high level of consulting quality.

### Sustainable solutions

ESG integration does not apply to our core business of primary insurance and reinsurance alone, it is very much reflected in our investment process as well. MEAG, our internal asset manager, currently manages a global portfolio worth more than €250bn. The bulk of our investments meet sustainable investment criteria. Our asset management follows the Principles for Responsible Investment (PRI). Since June 2017, MEAG has been working with MSCI ESG Research, a leading provider of sustainability analyses and ratings in the ESG area. The aim of using MSCI ESG Research and MSCI ESG ratings is to further refine and optimise MEAG's approach to sustainable investment. With its high degree of global coverage of the most important asset classes, MSCI supports MEAG in determining a sustainable investment universe and selecting sustainable individual investments.

### 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 is driving forward ESG integration at industry level, and we are encouraging the development of best practices. **One example is the ESG Standard project:** The project is exploring whether a uniform industry standard for

environmental, social and governance (ESG) aspects can be derived from the PSI projects we have already implemented together. Initial drafts of a common ESG standard will be prepared and discussed at regional consultative meetings. The new standard is to be presented in the fourth quarter of 2018, and the objective is for PSI members to actively apply it, and for it to be available to the insurance industry as a whole.

Another initiative, which we already briefly touched upon in last year's PSI report, involved our cooperation with **ICLEI** on sustainable urban development. The project started with a pilot phase in the Tanzanian capital of Dar es Salaam and developed concepts for more sustainable urban infrastructure planning and risk management. In May 2017, the global network of sustainable cities "ICLEI – Local Governments for Sustainability" held the Resilient Cities conference in Bonn. Munich Re played a significant role in this event, where the Secretariat of the PSI also convened the inaugural Insuring Resilient and Sustainable Cities Summit. The key product of the Summit was the adoption of the "**Bonn Ambition**": to formulate objectives for the insurance industry by June 2018 to make cities resilient and sustainable and thus contribute towards Goal 11 of the United Nations' Sustainable Development Goals.

The highlight of our work in 2017 was certainly "**Shaping the sustainable insurance agenda in North America**", convened by the PSI Initiative and Munich Re, hosted by Munich Re, US, in Princeton. It was the inaugural PSI event in the US and covered key sustainability challenges and opportunities for the North American insurance industry, including climate change, natural disasters, cities, infrastructure and InsurTech. For two days in late November, the event brought together insurance industry leaders from the US, Canada and Bermuda, as well as insurance regulators and associations, investors, rating agencies, and senior representatives from the wider business community, the UN, academia and the development community. As such, the event was a practical follow-up to the Resilient Cities Congress in Bonn (see above) and another milestone towards the ICLEI World Congress in Montréal, Canada in June 2018.

All our findings are shared in our dialogue with ceding companies and other business partners. At the same time, Munich Re Group staff regularly speak at international conferences, market events or client seminars about PSI and ESG integration.

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#### **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

Through the departments responsible (Sustainability, Group Legal, Climate & Public Sector Business Development 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 a 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 deep expertise of its Corporate Climate Centre. Munich Re is an active member of many insurance industry initiatives and associations.

One example of such forms of cooperation is Munich Re's support of the InsuResilience Initiative. Founded in 2015 by the G7 countries, the initiative aims to enable an additional 400 million people in developing and emerging countries to access insurance products covering weather and climate risks by 2020. By the end of last year, the initiative moved into a higher gear with the announcement of additional funding and many more partners. The **InsuResilience Global Partnership for Climate and Disaster Risk Finance and Insurance Solutions**, launched at the 2017 UN Climate Conference in Bonn, now brings together G20 countries in partnership with the V20 nations.

Other examples of our commitments to develop prevention and mitigation measures can be found here:

**Strategic topic climate change**  
**Climate Change**  
**Risk Awareness**

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), 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.

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#### **Principle 4**

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

This is our fifth progress report in connection with the Principles for Sustainable Insurance. It covers the calendar and financial year 2017 (1 January to 31 December). We will publish an update for the financial year 2018 within a year from now.

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

[Corporate Responsibility Portal](#)  
[Munich Re Corporate website](#)  
[SRI indices, SRI ratings and awards received](#)

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N.B.: Hyperlinks in this report refer to pages on 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, May 2018

Renate Bleich  
Head of Sustainability  
Munich Re  
[responsibility@munichre.com](mailto:responsibility@munichre.com)

GRI: G4-DMA-Human Rights

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## GRI Content Index & Global Compact Communication on Progress

In preparing the Munich Re (Group) 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" option and 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 GRI table (see download area on right) 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 2017. In addition, selected quantitative environmental indicators for the financial year 2017 have been externally verified across the Group by Ernst& Young.

GRI Content Index: G4-32

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### Download

[GRI Content Index – Reporting 2018 \(PDF, 184 KB\)](#)

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## GRI-Content-Index – Core

<u>Standard Disclosure</u>	<u>Location of Munich Re's disclosure***</u>	<u>Additional explanation/Reason for Omission</u>	<u>External Assurance</u>	<u>UNGC Principle</u>
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### GENERAL STANDARD DISCLOSURES

#### Strategy and Analysis

G4-1	Statement by the CEO	GC 1-10
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#### Organisational Profile

G4-3	Imprint	Münchener Rückversicherungs-Gesellschaft	
G4-4	Group structure: pp. 23-26 (AR)		Reasonable assurance*
G4-5	Imprint	Munich, Germany	
G4-6	Group structure: pp. 23-26 (AR)		Reasonable assurance*
G4-7	Other information – Parent: p. 165 (AR) List of shareholdings as at 31 December 2017 pursuant to Section 313(2) of the German Commercial Code (HGB) p 170-179		Reasonable assurance*
G4-8	Group structure: pp. 23-26 (AR) <a href="#">Corporate Structure (CWS) - Locations</a>		Reasonable assurance*
G4-9	Business performance: pp. 52-63 (AR) Financial position: pp. 64-67(AR) Other information – Number of staff: p. 16 (AR)		Reasonable assurance*
G4-10	Employee indicators Employees		GC 6
G4-11	Employee indicators		GC 3
G4-12	Procurement at Munich Re (CWS) Procurement principles Munich Re		

<u>Standard Disclosure</u>	<u>Location of Munich Re's disclosure***</u>	<u>Additional explanation/Reason for Omission</u>	<u>External Assurance</u>	<u>UNGC Principle</u>
	Procurement at Munich Re – Reinsurance (CWS) Supplier self-assessment – ERGO (German website) Procurement principles – MEAG			
G4-13	Group structure: pp. 23-26 (AR) <a href="#">Balance sheet press conference 2017 (CWS)</a>		Reasonable assurance*	
G4-14	Risk Report: Excerpt from Annual Report 2017 (AR) p. 68-76		Reasonable assurance*	
G4-15	Our commitments SRI indices, SRI ratings and awards Employees			
G4-16	Our commitments Social Impact Indicators			
<b>Identified Material Aspects and Boundaries</b>				
G4-17	List of shareholdings: pp. 170-179 (AR) Group structure: pp. 23-26 (AR)		Reasonable assurance*	
G4-18	Stakeholder and Materiality			
G4-19	Stakeholder and Materiality			
G4-20	Stakeholder and Materiality <a href="#">About the Corporate Responsibility portal</a> Strategic Topic – Climate Change Strategic Topic – Access to Health Strategic Topic – 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 <a href="#">About the Corporate Responsibility portal</a> Strategic Topic – Climate Change Strategic Topic – Access to Health Strategic Topic – 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		

<u>Standard Disclosure</u>	<u>Location of Munich Re's disclosure***</u>	<u>Additional explanation/Reason for Omission</u>	<u>External Assurance</u>	<u>UNGC Principle</u>
G4-22	Financial indicators Environmental indicators Employee indicators Social Impact 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 Strategic Topic – Climate Change Strategic Topic – Access to Health Strategic Topic – 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.		
<b>Stakeholder Engagement</b>				
G4-24	Stakeholder and Materiality			
G4-25	Stakeholder and Materiality			
G4-26	Stakeholder and Materiality			
G4-27	Stakeholder and Materiality Annual General Meeting/Countermotions (CWS)			
<b>Report Profile</b>				
G4-28	About the Corporate Responsibility portal			
G4-29	Downloads	May 2018		
G4-30	About the Corporate Responsibility portal	annual		
G4-31	Contact	Kerstin Lücke Renate Bleich <a href="mailto:responsibility@munichre.com">responsibility@munichre.com</a>		
G4-32	Reporting/GRI			
G4-33	Annual Report Auditors Report, p. 180-186 (AR) <a href="#">About the Corporate Responsibility portal</a>	No external assurance of the Corporate Responsibility-Report (Portal). Consolidated financial statements and Group management report in the Annual Report 2017 with reasonable assurance from KPMG. The environmental data for the financial year 2017 have been verified Group-wide by Ernst & Young.		

<u>Standard Disclosure</u>	<u>Location of Munich Re's disclosure***</u>	<u>Additional explanation/Reason for Omission</u>	<u>External Assurance</u>	<u>UNGC Principle</u>
<b>Governance</b>				
G4-34	<a href="#">Organisational positioning</a> Report of the Supervisory Board: pp. 9-13 (AR) Corporate Governance Report: p. 14-19 (AR)	Group Corporate Responsibility Committee		
G4-35	<a href="#">Organisational positioning</a> <a href="#">Corporate Responsibility in Insurance</a> <a href="#">Corporate Responsibility in Investment</a> Report of the Supervisory Board: pp. 9-13 (AR) Corporate Governance Report: pp. 14-19 (AR)			
G4-36	<a href="#">Organisational positioning</a> <a href="#">Corporate Responsibility in Insurance</a>			
<b>Ethics and Integrity</b>				
G4-56	Our commitments Guiding principles Compliance (CWS) Code of Conduct: (CWS)		GC10	
G4-57	Financial Crime Management (CWS) Compliance (CWS) Code of Conduct: (CWS)		GC 10	
G4-58	Compliance (CWS) Financial Crime Management (CWS) Lobbying (CWS)		GC 10	

<u>Standard Disclosure</u>	<u>Location of Munich Re's disclosure***</u>	<u>Additional explanation/Reason for Omission</u>	<u>External Assurance</u>	<u>UNGC Principle</u>
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## SPECIFIC STANDARD DISCLOSURES

### CATEGORY: ECONOMIC

#### Economic Performance

G4-DMA	Important tools of corporate management, pp. 50-51 (AR)  <a href="#">Corporate governance (CWS)</a>  Report of the Supervisory Board p 9-13 (AR)	Reasonable assurance*	
G4-EC1	<a href="#">Financial indicators</a>	Reasonable assurance*	
FS-EC1	Key figures (IFRS): front cover flap (AR)  Business performance: pp. 52-63 (AR)  Notes to the consolidated balance sheet – Equity and liabilities, p. 141f. (AR)  Personnel expenses: p. 165 (AR)  FS-EC1:  Group: p. 23 (AR)  <a href="#">Social Impact</a>  <a href="#">Social Impact Indicators</a>	Reasonable assurance*	
G4-EC2	Strategic Topic: Climate Change  <a href="#">Sustainable Solutions</a>  <a href="#">Corporate Responsibility in Investment</a>  <a href="#">Focus topics/Climate Change (CWS)</a>  <a href="#">Topic Climate Change</a>  Risk Report/Climate Change: p.76 (AR)  Opportunities Report: pp. 77f. (AR)	Reasonable assurance*	GC 7
G4-EC3	Other provisions: pp. 114f.; pp. 149-152 (AR)	Reasonable assurance*	
G4-EC4	To our best knowledge, Munich Re did not receive financial assistance from government.		

<u>Standard Disclosure</u>	<u>Location of Munich Re's disclosure***</u>	<u>Additional explanation/Reason for Omission</u>	<u>External Assurance</u>	<u>UNGC Principle</u>
<b>Market Presence</b>				
G4-DMA	Employees			
G4-EC5	Personnel expenses: p. 165 (AR) Employee indicators Munich Re (Reinsurance) Salary (CWS) ERGO (Primary 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 Employees			GC 6
<b>Indirect Economic Impacts</b>				
G4-DMA	Our guiding principles Corporate Responsibility in Investment Sustainable Solutions Opportunities Report: p. 77	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	Corporate Responsibility in Investment Sustainable Solutions Procurement at Munich Re (CWS) Procurement principles Munich Re			
G4-EC8	Corporate Responsibility in Investment Sustainable Solutions Strategic Topic: Climate Change Strategic Topic: Risk Awareness Focus topics/Climate Change			
<b>Procurement Practices</b>				
G4-DMA	Procurement at Munich Re (CWS) Procurement principles Munich Re Procurement at Munich Re – Reinsurance (CWS) Compliance (CWS)			
G4-EC9	Procurement at Munich Re (CWS)	Partially reported		

<u>Standard Disclosure</u>	<u>Location of Munich Re's disclosure***</u>	<u>Additional explanation/Reason for Omission</u>	<u>External Assurance</u>	<u>UNGC Principle</u>
	Procurement principles Munich Re Procurement at Munich Re – Reinsurance (CWS) Supplier self-assessment – ERGO (German website) Procurement principles – MEAG Compliance (CWS)			

## CATEGORY: ENVIRONMENTAL

G4-DMA	Group: p. 23 (AR) <a href="#">Environment</a> <a href="#">Environmental indicators</a> <a href="#">More detailed environmental indicators (xls)</a> <a href="#">Our guiding principles</a> <a href="#">Corporate Responsibility in Insurance</a> <a href="#">Corporate Responsibility in Investment</a>	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.		
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### Materials

G4-EN1	<a href="#">Environmental indicators</a> <a href="#">More detailed environmental indicators (xls)</a>	Environmental data**	GC 7,8
G4-EN2	<a href="#">Environmental indicators</a> <a href="#">More detailed environmental indicators (xls)</a>		GC 8

### Energy

G4-EN3	<a href="#">Environmental indicators</a> <a href="#">More detailed environmental indicators (xls)</a> <a href="#">Environment</a>	Environmental data**	GC 7,8
G4-EN5	<a href="#">More detailed environmental indicators (xls)</a>	Environmental data**	GC 8
G4-EN6	<a href="#">More detailed environmental indicators (xls)</a> <a href="#">Environment</a>		GC 8,9
G4-EN7	<a href="#">Environment</a> <a href="#">Sustainable Solutions</a> <a href="#">Corporate Responsibility in Investment</a>		GC 8,9

<u>Standard Disclosure</u>	<u>Location of Munich Re's disclosure***</u>	<u>Additional explanation/Reason for Omission</u>	<u>External Assurance</u>	<u>UNGC Principle</u>
<a href="#">More detailed environmental indicators (xls)</a>				
<b>Water</b>				
G4-EN8	Environment <a href="#">More detailed environmental indicators (xls)</a>	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
<b>Biodiversity</b>				
G4-EN11		not material		GC 8
G4-EN12		not material		GC 8
G4-EN13		not material		GC 8
G4-EN14		not material		GC 8
<b>Emissions</b>				
G4-EN15	<a href="#">More detailed environmental indicators (xls)</a>		Environmental data**	GC 7,8
G4-EN16	<a href="#">More detailed environmental indicators (xls)</a>		Environmental data**	GC 7,8
G4-EN17	<a href="#">More detailed environmental indicators (xls)</a>		Environmental data**	GC 7,8
G4-EN18	<a href="#">More detailed environmental indicators (xls)</a>		Environmental data**	GC 8
G4-EN19	<a href="#">More detailed environmental indicators (xls)</a> Environment			GC 9
<b>Effluents and Waste</b>				
G4-EN23	<a href="#">More detailed environmental indicators (xls)</a>		Environmental data**	GC 8
G4-EN24		There were no significant spills of hazardous materials during the reporting period. Our activity as a financial services provider		GC 8

<u>Standard Disclosure</u>	<u>Location of Munich Re's disclosure***</u>	<u>Additional explanation/Reason for Omission</u>	<u>External Assurance</u>	<u>UNGC Principle</u>
G4-EN25		entails very little contact with hazardous materials and significant spills are thus unlikely.		
		Munich Re works with certified waste disposal entities that guarantee the correct transfer and processing of waste.	GC 8	
<b>Products and Services</b>				
G4-EN27	Corporate Responsibility in Insurance Corporate Responsibility in Investment Sustainable Solutions Strategic Topic: Climate Change Focus topics/Climate Change			GC 7,9
G4-EN28		Not material		GC 8
<b>Compliance</b>				
G4-EN29		None		GC 8
<b>Transport</b>				
G4-EN30	More detailed environmental indicators (xls) Environment		Environmental data**	GC 8
<b>Supplier Environmental Assessment</b>				
G4-EN32	Procurement at Munich Re (CWS) Procurement principles Munich Re Procurement at Munich Re – Reinsurance (CWS) Supplier self-assessment – ERGO (German website) Procurement principles – MEAG Compliance (CWS)	100%		GC 8
G4-EN33	Procurement at Munich Re(CWS) Procurement principles Munich Re Procurement at Munich Re – Reinsurance (CWS) Supplier self-assessment – ERGO (German website)	None, not material		GC 8

<u>Standard Disclosure</u>	<u>Location of Munich Re's disclosure***</u>	<u>Additional explanation/Reason for Omission</u>	<u>External Assurance</u>	<u>UNGC Principle</u>
	Procurement principles – MEAG Compliance (CWS)			
<b>Environmental Grievance Mechanisms</b>				
G4-EN34	Annual General Meeting/Countermotions (CWS)		GC 8	
<b>CATEGORY: SOCIAL</b>				
<b>Sub-category: Labor Practices and Decent Work</b>				
G4-DMA	Employees Group: p. 23 (AR)		Reasonable assurance*	
<b>Employment</b>				
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.	GC 6	
G4-LA3	Employees Employee indicators		GC 6	
<b>Management Relations</b>				
G4-DMA	Group: p. 23 (AR) Employees Code of Conduct (CWS) Munich Re (Reinsurance): Diversity (CWS) ERGO (Primary insurance): Diversity		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	

<u>Standard Disclosure</u>	<u>Location of Munich Re's disclosure***</u>	<u>Additional explanation/Reason for Omission</u>	<u>External Assurance</u>	<u>UNGC Principle</u>
<b>Occupational Health and Safety</b>				
G4-DMA	Employees Group: p. 23 (AR) <a href="#">Code of Conduct (CWS)</a>		Reasonable assurance*	
G4-LA6	Employees Employee indicators	Partially reported		
G4-LA7	Employees	"Preventing and dealing with stress in general is becoming an increasingly important topic." [...]		
G4-LA8		Each company discusses safety at work issues with its own employee representatives. The relevant statutes are applied.		
<b>Training and Education</b>				
G4-DMA	Employees Munich Re as an employer/what we offer/further training and development opportunities (CWS) ERGO as an employer/promotion & development Group: p. 23 (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) <a href="#">Future excellence in leadership (CWS)</a>			
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

<u>Standard Disclosure</u>	<u>Location of Munich Re's disclosure***</u>	<u>Additional explanation/Reason for Omission</u>	<u>External Assurance</u>	<u>UNGC Principle</u>
<b>Diversity and Equal Opportunity</b>				
G4-DMA	Employees Group: p. 23 (AR) Munich Re (Reinsurance): Diversity (CWS) ERGO (Primary insurance): Diversity		Reasonable assurance*	
G4-LA12	Employees Employee indicators Corporate Governance: p. 9-19 (AR)		Reasonable assurance*	GC 6
<b>Equal Remuneration for Women and Men</b>				
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): Remuneration & 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
<b>Supplier Assessment for Labor Practices</b>				
G4-DMA	Procurement at Munich Re (CWS) Procurement principles Munich Re Procurement at Munich Re – Reinsurance (CWS) Supplier self-assessment – ERGO (German website) Procurement principles – MEAG Compliance (CWS)			
G4-LA14	Procurement at Munich Re (CWS)	100%		
G4-LA15	Procurement at Munich Re (CWS)	None		

<u>Standard Disclosure</u>	<u>Location of Munich Re's disclosure***</u>	<u>Additional explanation/Reason for Omission</u>	<u>External Assurance</u>	<u>UNGC Principle</u>
<b>Labor Practices Grievance Mechanisms</b>				
G4-LA16		Not material		
<b>Sub-category: Human Rights</b>				
<b>Investment</b>				
G4-DMA	Munich Re Position on Human Rights Munich Re and Human Rights – Factsheet			
G4-HR1	Munich Re Position on Human Rights Munich Re and Human Rights – Factsheet Corporate Responsibility in Insurance Corporate Responsibility in Investment Principles for Responsible (PRI)-Reporting Our commitments			GC 2
G4-HR2	Compliance (CWS) Code of Conduct (CWS) Corporate Responsibility in Insurance	Partially reported: Training programmes on the Code of Conduct for our employees as well as e-learning module on this topic.		GC 1
<b>Non-discrimination</b>				
G4-HR3	Compliance (CWS) Code of Conduct (CWS) Employees	Partially reported		GC 6
<b>Freedom of association and collective bargaining</b>				
G4-HR4	Compliance (CWS) 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
<b>Child Labor</b>				
G4-HR5	Compliance (CWS)	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

<u>Standard Disclosure</u>	<u>Location of Munich Re's disclosure***</u>	<u>Additional explanation/Reason for Omission</u>	<u>External Assurance</u>	<u>UNGC Principle</u>
<b>Forced or Compulsory Labor</b>				
G4-HR6	Compliance (CWS)	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
<b>Security Practices</b>				
kG4-HR7	Compliance (CWS)	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
<b>Indigenous Rights</b>				
G4-HR8	Compliance (CWS)	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
<b>Assessment</b>				
G4-HR9	Corporate Responsibility in Insurance			GC 1
<b>Supplier Human Rights Assessment</b>				
G4-HR10	Procurement at Munich Re (CWS) Procurement principles Munich Re Procurement at Munich Re – Reinsurance (CWS) Supplier self-assessment – ERGO (German website) Procurement principles – MEAG	100%		GC 2
G4-HR11		None		GC 2
<b>Human Rights Grievance Mechanisms</b>				
G4-HR12	Annual General Meeting/Countermotions			GC 1
<b>Sub-Category: Society</b>				

<u>Standard Disclosure</u>	<u>Location of Munich Re's disclosure***</u>	<u>Additional explanation/Reason for Omission</u>	<u>External Assurance</u>	<u>UNGC Principle</u>
<b>Local Communities</b>				
G4-DMA	Corporate governance (CWS) Financial Crime Management (CWS) Code of Conduct (CWS) ERGO Corporate Governance Sustainable Solutions Social Impact	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			
<b>Anti-corruption</b>				
G4-SO3	Corporate governance (CWS) Financial Crime Management (CWS)			GC 10
G4-SO4	Corporate governance (CWS) Financial Crime Management (CWS)			GC 10
G4-SO5	Corporate governance (CWS) Financial Crime Management (CWS) ERGO Corporate Governance			GC 10
<b>Public Policy</b>				
G4-SO6	Social Impact Indicators			GC 10
<b>Anti-competitive Behavior</b>				
G4-SO7	Code of Conduct (CWS)	Data not reported		

<u>Standard Disclosure</u>	<u>Location of Munich Re's disclosure***</u>	<u>Additional explanation/Reason for Omission</u>	<u>External Assurance</u>	<u>UNGC Principle</u>
<b>Compliance</b>				
G4-SO8	Code of Conduct (CWS)	To our best knowledge, Munich Re was not subject to any fines or sanctions in the reporting year		
<b>Supplier Assessment for Impacts on Society</b>				
G4-SO9	Procurement at Munich Re (CWS) Procurement principles Munich Re Procurement at Munich Re – Reinsurance (CWS) Supplier self-assessment – ERGO (German website) Procurement principles – MEAG	100%		
G4-SO10		None		
<b>Grievance Mechanisms for Impacts on Society</b>				
G4-SO11	Annual General Meeting/Countermotions			
<b>Sub-Category: Product Responsibility</b>				
<b>Customer Health and Safety</b>				
G4-DMA	Code of Conduct (CWS) Our guiding principles Group structure: pp. 23-26 (AR)	This DMA applies to the aspects Product and Service Labeling, Marketing Communication, Customer Privacy and Compliance	Reasonable assurance*	
<b>Product and Service Labeling</b>				
G4-DMA (FSS): (former FS15, FS16)	Code of Conduct (CWS)	In accordance with our code 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 make 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 all significant product or service categories are covered by and assessed for compliance with such procedures.		

<u>Standard Disclosure</u>	<u>Location of Munich Re's disclosure***</u>	<u>Additional explanation/Reason for Omission</u>	<u>External Assurance</u>	<u>UNGC Principle</u>
G4-PR3		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.		
		Munich Re's product and service range – from development and marketing to conclusion of the business – is subject to strict quality controls. Hence all significant product or service categories are covered by and assessed for compliance with such procedures.		
G4-PR4		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-PR5	Stakeholder and Materiality Group structure: pp. 23-26 (AR)	Not applicable For us, adherence to high ethical and legal standards is a matter of principle and is regulated by our Code of Conduct.		
<b>Marketing Communications</b>				
G4-PR6	Corporate Responsibility in Insurance Compliance (CWS) 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 2017.		
<b>Customer Privacy</b>				
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.		

<u>Standard Disclosure</u>	<u>Location of Munich Re's disclosure***</u>	<u>Additional explanation/Reason for Omission</u>	<u>External Assurance</u>	<u>UNGC Principle</u>
<b>Compliance</b>				
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 2017.		

Standard Disclosure	Location of Munich Re's disclosure***	Additional explanation/Reason for Omission	External Assurance	UNGC Principle
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## FINANCIAL SECTOR SUPPLEMENT ASPECTS: PRODUCT PORTFOLIO

### Product Portfolio

G4-DMA (former FS1-FS5)	Corporate Responsibility in Insurance Corporate Responsibility in Investment Sustainable Solutions Stakeholder and Materiality	Further specialised units/panels for early ESG risk detection include: Reputational Risk Committees (AR 2017, p. 74) Internal control system (ICS) (AR 2017, p. 74) Climate and Public Sector Business bundling the Know-how from both climate change expertise and public sector network.		
G4-FS6	Consolidated financial statements – Segment Reporting, pp. 117-123 (AR)			
G4-FS7	Objectives, measures and milestones Corporate Responsibility in Investment Principles for Responsible (PRI)-Reporting	Partially reported  The Responsible Investment summarises all guidelines and requirements related to PRI and ESG concerning asset management at Munich Re (Group). For the asset classes of infrastructure, renewable energies, farmland and forestry, we have established an investment process that takes into account both financial and ESG criteria. These ESG 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 Corporate Responsibility in Investment Principles for Responsible (PRI)-Reporting	Partially reported  Our Responsible 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 Corporate Responsibility portal Risk Report, pp. 68-76 (AR) Annual Report Auditors Report, p. 182-186 (AR) Report of the Supervisory Board: pp. 10f.
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Standard Disclosure	Location of Munich Re's disclosure***	Additional explanation/Reason for Omission	External Assurance	UNGC Principle
<b>Active Ownership</b>				
G4-DMA (former FS12)		<p>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.</p> <p>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.</p> <p>MEAG also holds in-depth talks with individual companies aimed at improving their SRI performance.</p>		
G4-FS10		<p>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 sustainability investment funds.</p>		
G4-FS11	Corporate Responsibility in Investment Principles for Responsible (PRI)-Reporting			

\* Reasonable Assurance by KPMG for the following sections of the Munich Re Annual Report 2017: Consolidated financial statements and notes; combined management Report

\*\* Environmental data for the FY 2017 has been externally verified by Ernst & Young

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

## About us

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### Related topics

[GRI reporting & Global Compact](#)

### Downloads

[External verification environmental data 2017 \(PDF, 37 KB\)](#)

## About the corporate responsibility portal

The corporate responsibility 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 last year, and the successes achieved. We also report regularly on the corporate responsibility activities of the entire Group. This comprises the business fields of reinsurance, primary insurance and MEAG, Munich Re's asset manager.

The measures and activities presented focus mainly on the period from 1 January 2017 to 30 March 2018; the key figures relate to the financial year 2017 (ending 31 December 2017). The contents of the corporate responsibility portal are available in German and English and can be downloaded as a PDF document. This document also serves as our Corporate Responsibility Report for 2017.

### Selected topics – Qualitative and quantitative reporting

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

Selected quantitative environmental data for the financial years 2015, 2016 and 2017 have been verified Group-wide (see downloads on the right).

### GRI Guidelines and Global Compact "Communication on Progress" Report

To provide greater transparency and clarity in preparing the corporate responsibility 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 additional sectoral indicators have been compiled in separate GRI disclosures. The corporate responsibility portal and the GRI disclosures also constitute our annual Communication on Progress Report for the Global Compact. As part of reporting on the corporate responsibility 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 confirmed that Munich Re (Group) as a whole had met its objectives for selected quantitative environmental data in 2015, 2016 and 2017 (see audit reports in the download area on the right).

### Contacts

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

Kerstin Lücke, Consultant Sustainability, is responsible for the corporate responsibility portal. Please send your questions and comments to [responsibility@munichre.com](mailto:responsibility@munichre.com)

### Editorial note

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

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## Service

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## A

### **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.

A	B	C	D	E	F
G	H	I	J	K	L
M	N	O	P	Q	R
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Y	Z				

### **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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## Service

### C

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G	H	I	J	K	L
M	N	O	P	Q	R
S	T	U	V	W	X
Y	Z				

**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<sub>2</sub> emissions can be "neutralised" through the purchase of carbon credits. In other words, the emission of a certain amount of CO<sub>2</sub> 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<sub>2</sub> 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).

A	B	C	<b>D</b>	E	F
G	H	I	J	K	L
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S	T	U	V	W	X
Y	Z				

### 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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## Service

### E

**Emerging risk**

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

A	B	C	D	<b>E</b>	F
G	H	I	J	K	L
M	N	O	P	Q	R
S	T	U	V	W	X
Y	Z				

**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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## F

### Fraud

Deception, cheating or misappropriation. In a corporate context, it refers to deliberate acts on the part of one or more managers, employees or third parties to gain an unjustified or illegal advantage.

A	B	C	D	E	<b>F</b>
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Y	Z				

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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.

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G	H	I	J	K	L
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S	T	U	V	W	X
Y	Z				

**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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## Service

L

### Lobbying

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

A	B	C	D	E	F
G	H	I	J	K	<a href="#">L</a>
M	N	O	P	Q	R
S	T	U	V	W	X
Y	Z				

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## Service

### M

#### Materiality analysis

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

A	B	C	D	E	F
G	H	I	J	K	L
M	N	O	P	Q	R
S	T	U	V	W	X
Y	Z				

#### 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.

A	B	C	D	E	F
G	H	I	J	K	L
M	<b>N</b>	O	P	Q	R
S	T	U	V	W	X
Y	Z				

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## Service

### 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.

A	B	C	D	E	F
G	H	I	J	K	L
M	N	O	P	Q	R
S	T	U	V	W	X
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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.

A	B	C	D	E	F
G	H	I	J	K	L
M	N	O	P	Q	R
S	T	U	V	W	X
Y	Z				

**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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## Service

### R

**Rating agency**

Company that assesses and rates the creditworthiness of businesses and even whole countries. The ratings are expressed in categories designated by a series of letters, ranging from AAA (top quality) to D (insolvent).

A	B	C	D	E	F
G	H	I	J	K	L
M	N	O	P	Q	<b>R</b>
S	T	U	V	W	X
Y	Z				

**Reinsurer**

Insurance companies that assume the insurance risks of other insurance companies without themselves having any direct contractual relationship with the policyholder.

**Resilience**

The strength of persons or systems to recover from damage or loss sustained and to adapt to the altered conditions.

**RRC**

Actual reputation issues arising out of specific incidents are evaluated in the fields of business either by their own Reputational Risk Committee (RRC) or through a comparable procedure in which the opinions of experts are obtained. A legal entity's Compliance Officer can always be consulted on any matter relating to the assessment of reputational risks.

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## S

**Shared value**

According to Michael E. Porter's definition, the shared value approach comprises guidelines and practices which increase an enterprise's competitiveness whilst simultaneously improving the economic and social circumstances of the community in which it operates. Responsible action thus creates added value both for the enterprise and for the community.

A	B	C	D	E	F
G	H	I	J	K	L
M	N	O	P	Q	R
S	T	U	V	W	X
Y	Z				

**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.

A	B	C	D	E	F
G	H	I	J	K	L
M	N	O	P	Q	R
S	T	U	V	W	X
Y	Z				

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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.

A	B	C	D	E	F
G	H	I	J	K	L
M	N	O	P	Q	R
S	T	U	V	W	X
Y	Z				

### 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.

A	B	C	D	E	F
G	H	I	J	K	L
M	N	O	P	Q	R
S	T	U	V	W	X
Y	Z				

**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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## Contact

Please do not hesitate to get in touch with Munich Re's Corporate Responsibility Team with your **questions and comments**. To do so, please use the feedback form at the bottom of this page.

### Support for master's and bachelor's theses:

We regularly receive requests for the supervision of academic studies and for assistance with their content. The high level of interest shown in our work is most gratifying, but for reasons of capacity we request your understanding that we are only able to support bachelor's and master's theses within the context of internships or student employee programmes. We publish advertisements for such positions several times a year on appropriate recruitment sites.

Kerstin Lücke  
Consultant Sustainability  
E-Mail: [responsibility@munichre.com](mailto:responsibility@munichre.com)  
Telefon: +49 89 3891-0 

Renate Bleich  
Head of Department Sustainability  
E-Mail: [responsibility@munichre.com](mailto:responsibility@munichre.com)  
Telefon: +49 89 3891-0 

Munich Re  
Königinstr. 107  
80802 München  
Germany

### Contact Media Relations

#### Your message to our Corporate responsibility experts

Form of address\*  Ms.  Mr.

Surname\*, first name

Company

Country\*

E-mail\*

Subject\*

Your message\*

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### Notice

When you have completed all the fields marked with an asterisk (\*) please click Send, and your message will be sent to our experts on Corporate Responsibility.

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## Independent Auditor's Limited Assurance Report

*The assurance engagement performed by Ernst & Young (EY) relates exclusively to the German version of the Corporate Responsibility Report 2017/2018 of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München. The following text is a translation of the original German Independent Assurance Report.*

To Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München, München

We have performed a limited assurance engagement on the disclosures marked with the symbol \*\* in section "responsibility – environment" in the Corporate Responsibility Report of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München for the reporting period from 1 January 2017 to 31 December 2017 (hereafter the report).

Our engagement exclusively relates to the information marked with the symbol \*\* in the German PDF version of the report. Our engagement did not include any disclosures for prior years.

### Management's responsibility

The legal representatives of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München are responsible for the preparation of the report in accordance with the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative (hereafter "GRI-criteria") and for the selection of the information to be assessed.

This responsibility includes the selection and application of appropriate methods to prepare the report as well as making assumptions and estimates for individual sustainability disclosures, which are reasonable under the circumstances. Furthermore, the legal representatives are responsible for such internal controls that they have considered necessary to enable the preparation of a report that is free from material misstatements, whether due to fraud or error.

### Auditor's Statement regarding Independence and Quality

We are independent from the Company in compliance with the German statutory and professional requirements, and have fulfilled our other professional responsibilities in accordance with these requirements.

Our audit firm applies the national statutory regulations and professional pronouncements for quality control, in particular the by-laws regulating the rights and duties of Wirtschaftsprüfer and vereidigte Buchprüfer in the exercise of their profession [Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer] as well as the IDW Standard on Quality Control 1: Requirements for Quality Control in audit firms [IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis (IDW QS 1)].

## Auditor's Responsibility

Our responsibility is to express a limited assurance conclusion on the information marked with the symbol \*\* in the report based on the assurance engagement we have performed.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" published by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain a limited assurance about whether the information marked with the symbol \*\* in the report for the reporting period from 1 January to 31 December 2017 has been prepared, in all material respects, in accordance with the relevant GRI criteria. We do not, however, issue a separate conclusion for each sustainability disclosure which is marked with the symbol \*\*. In a limited assurance engagement the assurance procedures are less in extend than for a reasonable assurance engagement and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the auditor's professional judgment.

Within the scope of our assurance engagement, which has been conducted between March and May 2018, we performed amongst others the following assurance and other procedures:

- Inquiries of employees regarding the sustainability strategy, sustainability principles and sustainability management of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München,
- Inquiries of employees responsible for data capture and consolidation of the disclosures marked with the symbol \*\* as well as the preparation of, to evaluate the sustainability reporting processes, the data capture and compilation methods as well as internal controls to the extent relevant for the limited assurance of the information marked with the symbol \*\*,
- 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 two site visits at American Modern Insurance, USA, and at ERGO, Cologne,
- Analytical measures at group level and on the level of selected sites regarding the quality of the reported data,
- Critical review of the draft report to assess plausibility and consistency with the information marked with the symbol \*\*.

## Conclusion

Based on our assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the disclosures marked with the symbol \*\* in the Corporate Responsibility Report of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München for the reporting period from 1 January 2017 to 31 December 2017 have not been prepared, in all material respects, in accordance with the relevant GRI criteria.

## Intended Use of the Report

We issue this report on the basis of the engagement agreement with Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München. The assurance engagement has been performed for the purposes of the Company and the report is solely intended to inform the Company as to the results of the assurance engagement and must not be used for purposes other than those intended. The report is not intended to provide third parties with support in making (financial) decisions.

## Engagement Terms and Liability

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated 1 January 2002 are applicable to this engagement and also govern our relations with third parties in the context of this engagement ([see attachment](#)). In addition, please refer to the liability provisions contained in no. 9 and to the exclusion of liability towards third parties. We assume no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we do not update the assurance report to reflect events or circumstances arising after it was issued unless required to do so by law. It is the sole responsibility of anyone taking note of the result of our assurance engagement summarized in this assurance report to decide whether and in what way this result is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Munich, 17 May 2018

Ernst & Young GmbH  
Wirtschaftsprüfungsgesellschaft

Nicole Richter  
Wirtschaftsprüferin  
(German Public Auditor)

Jan Kaiser  
Wirtschaftsprüfer  
(German Public Auditor)