

MUNICH RE  
CORPORATE RESPONSIBILITY



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## STRATEGY AND CHALLENGES

### Corporate responsibility at Munich Re – Living up to our responsibility

Munich Re consistently pursues its entrepreneurial guiding concept of turning risk into value. Responsible and forward-looking action – our corporate responsibility – plays a major role in the way we approach the risks and opportunities presented by the great challenges of our time. We are therefore clearly committed to maintaining sustainable development in the future in order to protect the environment and meet our social obligations.

The business model of insurance is built on the insurer's ability to always meet the obligations assumed under its contracts. Insurers are sometimes not released from these obligations until decades later. Our clients' confidence in our financial stability is hence the basis of our business. That is why our business model is more than ever inseparably tied to the know-how needed to assess risks and to long-term, responsible management.

For this reason, Munich Re (Group) has initiated a process to develop a Group-wide and cross-divisional corporate responsibility concept. In March 2011, the Board of Management ratified an enhanced Group-wide corporate responsibility strategy whose overriding objective is to include corporate responsibility criteria in business. The strategy also includes dialogue with our key stakeholders: clients, staff, investors, NGOs and experts from the world of science and politics. This exchange enables us to identify important social challenges and changes, for which we offer suitable business solutions or develop them for the future.

**Organisational anchoring of our corporate responsibility**  
In 2008, we assigned the field of corporate responsibility to a separate unit at our Munich headquarters. This unit is incorporated in the Group Development Division, which is responsible for developing Group strategy and reports directly to the Chairman of the Munich Re Board of Management. It carries out its tasks at Group level and in direct consultation with the Group's primary insurance segment. At ERGO, corporate responsibility is also an integral part of its corporate strategy and directly assigned to the Chairman of the Board of Management. A separate unit within the Group Communications Division coordinates implementation between the various departments.

#### CEO statement



Nikolaus von Bomhard, Chairman of Munich Re's Board of Management, on forward-looking and responsible action in Munich Re (Group). [» more](#)

#### Mission



Responsible action is an integral part of Munich Re's Group strategy and is of relevance to all business activities. [» more](#)

#### Fields of action and objectives



Our new mission highlights five fields of action. These constitute the pillars of our Group-wide corporate responsibility concept. [» more](#)

#### Milestones



As an insurance and reinsurance group, we work responsibly to develop forward-looking solutions. In this way, we make tomorrow's world insurable. [» more](#)

#### Stakeholder dialogue



We have always valued open dialogue with our stakeholder groups. Such dialogue is the starting point for mutual understanding and trust. [» more](#)

## Challenges



Key factors such as climate change present us with many new tasks. We meet these tasks flexibly and with innovative solutions. [» more](#)

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## Shaping the future – Munich Re's corporate responsibility

Ladies and Gentlemen,

For nearly five years now, we have been operating in a crisis-ridden environment. The year 2011 was marked by a massive loss of confidence in the European common currency, with corresponding impacts on the capital markets. On top of this, the insurance industry had to cope with an exceptional accumulation of severe natural catastrophes in 2011, most notably the earthquakes in Japan and New Zealand. Despite these adverse circumstances, Munich Re was able to post a satisfactory result for the year, thus endorsing our strategy geared to creating sustainable value.

The bulk of our investments meet the requirements of the United Nations Principles for Responsible Investment (PRI), which Munich Re was the first German company to sign back in 2006. Until recently, a comparable set of rules was lacking for our core business of primary insurance and reinsurance. International principles have therefore been drawn up to fill the gap, again under the umbrella of the United Nations. Munich Re was a driving force in this process, on which it had a material influence. On 19 June 2012, we put our signature to the Principles for Sustainable Insurance (PSI) as one of the founding members. The PSI will serve as a yardstick for the systematic integration of sustainability aspects in our day-to-day business.

We are continuing to pursue our other activities in the field of corporate responsibility with undiminished vigour. For example, we have made significant progress with our environmental management system and will achieve carbon neutrality for our global reinsurance operations in the current financial year. We aim to reach this target for the whole Group by 2015 – our headquarters in Munich have been carbon-neutral since 2009.

By corporate citizenship, we understand donations, sponsoring and memberships in the charitable and non-profit sector. We have reformulated our guidelines for this area, making them more specific. Thus, support for social and cultural activities will be focused more strongly on our business unit locations in future, while at national and international level we will particularly sponsor projects that have a concrete connection with our business.

Different backgrounds and experience result in different individual skills and strengths. With our staff, we therefore attach importance to a balanced structure as far as possible, be it in terms of gender, origin or age, to name just the most important criteria for us in this respect. In the long term, forward-looking staff development planning – and that is basically what "diversity management" entails – will increase our creativity, competitiveness and sustainability, which makes it an indispensable investment.

On this portal, you can find numerous examples of our activities in the area of corporate responsibility. They cover a wide area, but have one thing in common: they show that corporate interests, sustainable development and corporate responsibility are in no way conflicting factors. On the contrary, they determine and reinforce each other.

I wish you a stimulating read.

Nikolaus von Bomhard  
Chairman of the Board of Management

July 2012



Nikolaus von Bomhard, Munich Re  
Chairman of the Board of Management

### External links

» [Principles for Sustainable Insurance \(PSI\)](#)



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## Corporate responsibility as an integral part of Group strategy

Adopting a forward-looking and responsible approach throughout our organisation is a determining factor in Munich Re's business model as a global insurance group. Our corporate identity, reflected in our guiding concept and mission, makes it clear that corporate responsibility is an integral part of Group strategy, permeating all business areas and processes.

In its mission statement, Munich Re has defined the Group-wide principle of turning risk into value. To achieve this, we strive for sustained profitable growth and acknowledge our responsibility and obligation to society as a whole.

### More clearly defined mission

Munich Re's clearly defined corporate responsibility mission reflects its commitment to corporate responsibility. Our Group-wide holistic corporate responsibility approach forms the basis of the corporate responsibility strategy with three main focal areas. A suitable governance structure ensures the principles are firmly established throughout the Group.

Our mission defines corporate responsibility as an integral part of our Group strategy, which permeates all business areas and processes. The three focal areas illustrate this corporate identity: Firstly, our aim is to integrate ecological, social and governance factors (so-called ESG factors) in our core business and investments to a greater extent. Secondly, in order to minimise the impact we have on the environment, we have in place a Group-wide environmental management system and are successively making our business operations carbon-neutral. Thirdly, on the basis of the our corporate citizenship concept, we are committed to serving the communities in which we work and operate.

### Group objectives in focus

On this basis, our new mission should make a vital contribution to the profitable growth of Munich Re (Group). By consistently integrating corporate responsibility in the Group strategy, we are seeking to

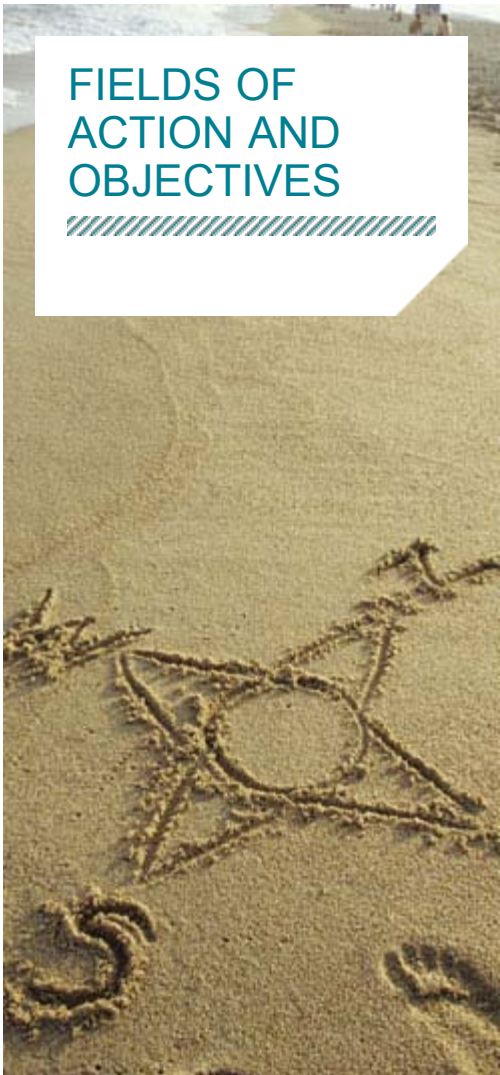
- further enhance Munich Re's reputation and image with all stakeholders,
- identify business risks and opportunities as quickly as possible,
- bring our expertise to bear on the decision-making processes for global risks,
- and finally increase the value of Munich Re's shares.

### Standards for our actions

Beyond our ethically and legally impeccable actions, we reiterate our commitment to corporate responsibility by following international guidelines. First and foremost among these is the UN Global Compact, which we joined in 2007. Its ten principles provide the fundamental framework for our corporate responsibility and our entrepreneurial action. In April 2006, Munich Re also became the first German company to sign the United Nations Principles for Responsible Investment (PRI), giving our investments clear sustainability guidelines as regards the form of investment. We have also been involved in developing the Principles for Sustainable Insurance (PSI), a global initiative of the United Nations Environment Programme for greater inclusion of sustainability criteria in insurance business. As a signatory to the PSI in June 2012, we use the PSI as a framework for taking account of ESG factors in our core business.

#### External links

- » [Principles for Sustainable Insurance \(PSI\)](#)



## Implementing our corporate responsibility

For Munich Re, responsible and sustainable development is an integral part of Group strategy. On the basis of our corporate responsibility mission – the product of strategically refining our previous guiding principles – we have defined specific fields of action and objectives, thus creating the foundation for our Group-wide activities.

Our corporate responsibility mission is reflected in five fields of action. The areas "Strategy and governance" and "Reporting and communication" provide the framework for our three content pillars:

- Integrating corporate responsibility in our business
- Environmental management
- Corporate citizenship

### Fields of action of our corporate responsibility



### Strategy and governance – Meeting our commitments

The ten principles of the Global Compact constitute important guidelines for embedding corporate responsibility in our business processes. By considering these principles from the areas of human rights, labour standards, environmental protection and anti-corruption, we demonstrate our commitment to important values both inside and outside the Group. We develop the impulses for our strategy and define the challenges we face by conducting an open and consistent dialogue with our stakeholders and analysing their expectations. In addition to including these aspects in our corporate responsibility strategy, we also continually optimise our Group-wide organisational structure with a view to managing processes efficiently and effectively.

### Reporting and communication – Showing progress

Besides the strategic and organisational set-up, internal and external communication of our corporate responsibility activities is an important factor in shaping our tasks. A central element of is our corporate responsibility portal, through which we report to our stakeholders on our strategic approach, the measures we have decided on, and the progress we have made. Professional communication coupled with our information tools ensures that we keep our stakeholders optimally informed and steadily expand our dialogue with investors and rating agencies.

### Solutions – Corporate responsibility in core business

By integrating corporate responsibility into our business on an ongoing basis, Munich Re seeks to handle environmental, social and governance risks systematically, as well as to develop innovative solutions and products. In this process, we will use the new Principles for Sustainable Insurance (PSI), developed under the auspices of the United Nations Environment Programme, as a yardstick. As far as our investments are concerned, since 2006 we have been applying the Principles for Responsible Investment (PRI), another agreement Munich Re helped to develop and which we were the first German company to sign. A sustained increase in value coupled with forward-looking and future-oriented actions are our number-one priority.

### Environmental management system and carbon neutrality

Munich Re is aiming to achieve carbon neutrality throughout the entire Group. All our reinsurance operations will be made carbon neutral for the financial year 2012, and the whole Group (including ERGO) by 2015. This carbon neutrality will be achieved in two stages: firstly, reducing our ecological footprint by cutting down on energy consumption, travel, use of paper, water and waste and, secondly, compensating for unavoidable emissions by purchasing emission allowances. We also contribute to environmental protection by developing innovative insurance solutions.

### Commitment to society – Munich Re as a corporate citizen

Munich Re's understanding of corporate responsibility also involves assuming responsibility for the communities in which we live and work. The framework for this is provided by a new corporate citizenship concept, which links our social commitment more closely to business-relevant issues. Besides our involvement in the topics of environment, natural catastrophes, demographic change and health, Munich Re supports social and cultural projects at its business locations, as well as education and science.

### Related topics

- » Solutions
- » Management: Environment
- » Commitment

### External links

- » Corporate Responsibility at ERGO
- » Principles for Sustainable Insurance (PSI)

### Actions

- » EXPAND ALL
- » COLLAPSE ALL

### New objectives and next steps

With its enhanced corporate responsibility strategy, Munich Re has not only created new structures but also defined specific objectives for the next three years. The following overview of selected objectives in our fields of action underlines this point.

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#### ▼ Field of action 1: Strategy and governance

- **Objective 2011:** Ratify and establish a Group-wide strategic corporate responsibility approach with fields of action. Met.
- **Umsetzung 2011:** Ratification completed for implementation of the new corporate responsibility mission and strategy.
- **Objective 2012:** Review and adjust Group-wide corporate responsibility governance.

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#### ▼ Field of action 2: Corporate responsibility in business

- **Objective 2011:** Develop a concept to take greater account of environmental, social and governance (ESG) aspects in core business. In progress.
- **Realisation 2011:** "Banned weapons" guideline implemented as first pilot project in underwriting and investments.
- **Objective 2011:** Take an active part in the further development of the Principles for Sustainable Insurance (PSI). Met.
- **Realisation 2011:** Steering role in drafting the Principles for Sustainable Insurance (PSI) as chair of the initiative, and performance of European stakeholder consultations.
- **Objective 2012:** Sign the PSI as a yardstick for consideration of ESC factors in our core business.
- **Objective 2012:** Action and implementation plan for considering ESG aspects in core business in the context of the PSI.

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#### ▼ Field of action 3: Environmental management

- **Objective 2011:** Develop Group-wide environmental management with a plan of action, and recertification of the Munich location and several ERGO locations in accordance with ISO 14001. In progress.
- **Realisation 2011:** Global environmental management system ratified; roll-out of climate neutrality strategy and successful recertification of several locations to ISO 14001.
- **Objective 2012:** Implement the global environmental management system.

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#### ▼ Field of action 4: Corporate citizenship

- **Objective 2011:** Establish an international corporate citizenship (CC) network and develop a Group-wide corporate volunteering concept. Partly met.
- **Realisation 2011:** Establishment of a Group-wide CC network with annual reporting; active expansion and management of project portfolio.
- **Objective 2012:** Systematically develop the CC project portfolio further.

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#### ▼ Field of action 5: Reporting and communication

- **Objective 2011:** Optimise process of Group-wide CR reporting and expand the coverage of global CR reporting. Met.
  - **Realisation 2011:** Implementation of standardised Group-wide CR reporting, and good to very good results in the most important international SRI ratings, with employee coverage of 87% under the environmental management system and 67% in the HR sector.
  - **Objective 2012:** Optimise CR reporting on an ongoing basis.
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## MILESTONES

## Milestones of our corporate responsibility

As an insurance and reinsurance group, we adopt an international and interdisciplinary approach with a view to finding solutions that are viable for the future. In this way, we make tomorrow’s world insurable. We seek to achieve a balance between economic, ecological and social requirements. For this reason, corporate responsibility has long been an integrated part of our Group strategy.

The following are examples of our corporate responsibility milestones.

Actions

- » EXPAND ALL
- » COLLAPSE ALL

### ▼ 2012

#### Voluntary commitment to increase quota of females

Munich Re is one of the DAX 30 companies that have undertaken to increase the quota of females in management positions by 2020. Munich Re's quota will then have increased to 25%.

#### Principles for Sustainable Insurance (PSI) signed

The final version of the PSI was signed at the Rio+20 UN Conference on Sustainable Development in June. From the outset, Munich Re was closely involved in drafting the mandatory guidelines.

#### New Chief Compliance Officer at ERGO

Stefanie Held is the new Chief Compliance Officer at ERGO. A trained lawyer, she is developing the Group's compliance organisation and reports directly to Chairman of the Board of Management Dr. Torsten Oletzky.

### ▼ 2011

#### New RENT investment projects

Munich Re invests in wind and solar parks under its RENT – Renewable Energies and New Technologies – projects. These include transactions in Spain and Italy totalling €500m.

#### Global consultation meetings on sustainability in the insurance sector

Seven regional meetings were held under the global consultation process launched in March to discuss the Principles of Sustainable Insurance (PSI). Munich Re has also played an active part in this process. The European meeting was hosted by Munich Re.

#### New CR strategy adopted

Munich Re has adopted a new Group-wide CR strategy, in which CR is firmly established as part and parcel of our entrepreneurial action.

#### Munich Re Munich’s climate neutrality maintained in 2010

Munich Re's carbon emissions were substantially reduced at its Munich offices both in 2009 and in 2010, emission allowances being purchased to offset the remaining small proportion of emissions.

#### Wolfgang Engshuber new PRI Chairman

Dr. Wolfgang Engshuber, outgoing Chief Administrative Officer of Munich Re of America, was appointed Chairman of the investor-led Principles for Responsible Investment initiative in January 2011.

#### Munich Re in Munich and ERGO recertified

The environmental management systems of Munich Re (Munich) and ERGO (Germany)’s main office sites were again successfully re-certified this year.

#### UN debate on disaster reduction and preparedness

In February, Thomas Loster, Chairman of the Munich Re Foundation, gave a presentation on the Group’s expertise in the field of disaster reduction at the invitation of the United Nations in New York, highlighting the strengths of insurance-based solutions.

#### New renewable energy covers

Munich Re offers the first ever cover for manufacturers’ warranties in the field of renewable energy, including wind and photovoltaic systems. The reinsurer also covers the exploration risks involved in geothermal energy projects.

### ▼ 2010

#### Wind energy investment

Munich Re has 40 wind turbines in a total of 11 wind parks with an overall output of 73 megawatts. In the next few years, some €2.5bn are to be invested in renewable energy and new technologies under Munich Re's RENT (Renewable Energy and New Technologies) programme.

#### 6<sup>th</sup> International Microinsurance Conference in Manila

Munich Re together with the Microinsurance Network, the German Gesellschaft für Internationale Zusammenarbeit (GIZ), Germany’s Federal Ministry for Economic Cooperation and Development (BMZ) and other partners invited participants from 50 countries to attend the 6th International Microinsurance Conference in Manila.

The fact that this was the largest ever microinsurance conference, with 520 attending, shows the importance of microinsurance globally and its huge growth potential.

**Weather events insurance in the Philippines**

A new insurance product co-developed by Munich Re (reinsurance) offers cover against extreme weather events, such as severe typhoons, to cooperatives in the Philippines and their low-income members.

**Cover for PV modules in the USA**

Munich Re covers performance guarantees on photovoltaic modules in the USA, an industry first. The new cover applies to concentrating photovoltaic (CPV) systems produced by US manufacturer SolFocus, and is the first ever performance guarantee cover for CPV systems.

**New insurance solution for oil catastrophes**

Munich Re insures oil companies against liability risks relating to unsuccessful oil drilling operations, also tightening up safety standards.

**Earthquake disaster in Haiti, floods in Pakistan**

The companies that make up Munich Re and its employees collectively donate more than €250,000 to victims of the 2010 earthquake in Haiti and flooding in Pakistan.

**ISO 14001 certification renewed**

The implementation and quality of the environmental management system at our Munich headquarters are again successfully certified.

**Climate neutrality at our Munich site**

As resolved in 2007, we are able to make our Munich site [» climate neutral](#). We aim to achieve climate neutrality for the whole reinsurance group by 2012.

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▼ **2009**

**Founding of Dii GmbH for generating power in the desert**

In response to a Munich Re initiative, thirteen partners including Munich Re set up the Desertec Industrial Initiative planning entity (Dii). Its long-term goal: solar and wind power generation in the desert.

**Submission of the first COP**

In our Communication on Progress (COP), the obligatory report to be submitted by companies that have signed the UN Global Compact, we publish information on our CR targets and their achievement.

**ERGO life insurers tested by the German technical inspection agency TÜV**

ERGO's two major life insurers Hamburg-Mannheimer and Victoria have their service quality tested by TÜV Süd for the first time and are rated “good”.

**EU GreenBuilding Award for MEAG buildings**

Three new MEAG buildings feature in the list of official EU GreenBuilding Programme partners in 2009: the Cologne Oval Offices, the Westgate in Cologne and the Sonnencarree in Munich.

**MEAG launches FairReturn investment fund**

This mixed fund, geared specifically to foundations, is managed according to sustainability criteria. The investment objectives are a positive performance in line with the capital markets and the achievement of plannable earnings.

**World's first microinsurance against floods**

In collaboration with various partners, Munich Re devises a microinsurance product for the inhabitants of the Indonesian capital of Jakarta, providing them with cover against the economic consequences of flood.

**Signet Solar – New insurance solution for photovoltaic modules**

Together with industrial insurance broker Marsh and photovoltaic producer Signet Solar, Munich Re launches a new insurance solution to cover the risk of a performance deterioration in photovoltaic modules.

**Expansion of Munich Re's compliance system**

After the introduction of an ombudsman function at Munich Reinsurance Company in 2008, the ombudsman's brief is extended to the whole Group with effect from 1 May 2009. Anti-fraud management is significantly strengthened by way of this Group-wide whistle-blowing system.

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▼ **2008**

**MEAG launches KlimaStrategie equity fund**

With its new KlimaStrategie equity fund, MEAG gives private investors the opportunity to invest in companies involved in adaptation measures or solutions for climate change.

**ERGO adopts CR guiding principles**

ERGO's Board of Management endorses the corporate responsibility guiding principles adopted by the Munich Re Board of Management in 2006, taking them as the basis for ERGO's own CR activities.

**ERGO implements its own code of conduct**

On the basis of Munich Re's Code of Conduct, ERGO defines its understanding of legally impeccable behaviour, based on ethical principles, at all employee levels.

**Research partnership with the London School of Economics (LSE)**

Munich Re supports the multi-year research programme of the Centre for Climate Change Economics and Policy (CCCEP) at the LSE. Its goal is to analyse – at the interface between climate research and economics – the risks and opportunities for

the insurance industry.

▼ 2007

**Joining Global Compact**

Munich Re commits itself to complying with the UN Principles for Corporate Responsibility (UN Global Compact).

**Corporate Climate Centre established**

All Munich Re's climate change activities are pooled in one centre of competence. This comprises a network of staff from across Munich Re's fields of business.

**Announcement of climate neutrality target for Munich Re**

A resolution is taken to make the Munich site climate neutral by 2009 and the whole reinsurance group by 2010.

**MEAG introduces code of conduct**

MEAG defines its understanding of legally impeccable behaviour, based on ethical principles, at all employee levels, taking Munich Re's Code of Conduct as a basis.

▼ 2006

**Commitment to sustainable and responsible corporate management**

In its mission statement, Munich Re commits itself to transparency, sustainability and social responsibility. Corporate responsibility becomes an integral part of Munich Re's Group strategy.

**Consolidation of corporate responsibility management**

As a sign of the great importance Munich Re assigns to this sector, the CR management function is located within the Group Development Division, which reports directly to Munich Re's CEO.

**Implementation of a code of conduct**

Munich Re sets out its definition of legally impeccable behaviour, based on ethical principles, at all employee levels.

**Commitment to PRI and their establishment**

Munich Re becomes the first German company to sign the UN Principles for Responsible Investment (PRI), which it plays a prominent role in helping to establish.

**Implementation of anti-fraud management**

The main elements and principles of a Group-wide anti-fraud system are laid down.

▼ 2001 to 2005

2005

**125 years of handling risk**

Munich Re celebrates its 125th anniversary and sets up the Munich Re Foundation. The latter's mission is to minimise risks for people throughout the world, particularly in developing and emerging countries, through prevention and education projects.

**Establishment of the Dr. Hans-Jürgen Schinzler Foundation**

Open to all current and former Munich Re employees worldwide, the foundation aims to support staff in their voluntary work in various areas of society.

**GIG – Sustainability criteria for investments**

Munich Re's globally binding General Investment Guidelines (GIG) specify that our investments in shares, corporate bonds, bank bonds and government bonds must meet certain sustainability requirements.

2004

**renewables 2004 conference**

Munich Re takes part in the International Conference for Renewable Energies (renewables 2004). The conference outlines the path towards global development of renewable energies.

**Tsunami aid**

Munich Re responds to the tsunami catastrophe in Thailand with both monetary and non-monetary donations.

2003

**Launching of MEAG Nachhaltigkeit mutual fund**

Besides considering the traditional criteria for investments in shares or bonds – return, risk and liquidity – this fund also considers specific sustainability aspects.

**Creation of a company medical centre**

A central company medical centre for individual consultancy and treatment of employees is set up. The prophylactic healthcare services it provides include check-ups and influenza vaccinations.

**Successful EMAS recertification and introduction of ISO 14001**

Munich Re sets more standards: successful EMAS recertification and first-time certification to DIN EN » ISO 14001, for environmental management systems, thus making Munich Re's standards comparable at international level.

**Certification of Victoria Krankenversicherung AG**

Victoria Krankenversicherung AG in Düsseldorf is certified to EMAS and to DIN EN ISO 14001. In addition, the UK headquarters of D.A.S. is certified to DIN EN ISO 14001, a first for a legal protection insurer.

2002

**German Corporate Governance Code**

On 6 December, Munich Re's Board of Management and Supervisory Board publish their first declaration of conformity with the recommendations of the Government Commission for a » [German Corporate Governance Code](#).

2001

**First environmental statement**

Munich Re publishes its first environmental statement under the title "Perspectives".

**Sustainability indices**

Munich Re is included and henceforward listed in the two most important global sustainability indices, the Dow Jones Sustainability Index and the FTSE4Good.

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▼ **1973 to 2000**

2000

**Establishment of an ISO 14001 environmental management system**

Munich Re establishes an environmental management system according to ISO 14001 at its headquarters in Munich. As from 2008, the Munich and Milan offices use only green electricity.

1999

**UNEP FI (United Nations Environment Programme Finance Initiative)**

Munich Re becomes an active partner in the financial initiative of the UN environment programme.

1998

**Participation in the Environmental Pact of Bavaria**

The participants in the Environmental Pact of Bavaria undertake to save resources and use environmentally sound technologies. The aim is to achieve sustainable economic growth.

**EMAS (Eco-Management and Audit Scheme) certification for Victoria Versicherung AG**

ERGO company Victoria becomes the first European insurer to be certified to EMAS at its various sites.

1990

**“Victorianer helfen” (“Victorians help”) is founded after German reunification to provide development assistance in eastern Germany.**

The association begins by providing assistance for the village of Mechterstädt in Thuringia.

1973

**Munich Re warns of the consequences of climate change for the first time**

In a publication on flooding, Munich Re addresses the increasing concentration of carbon-dioxide and the related climate change for the first time, and proposes analyses for determining how far climate change could alter the pattern of weather-related natural catastrophes.

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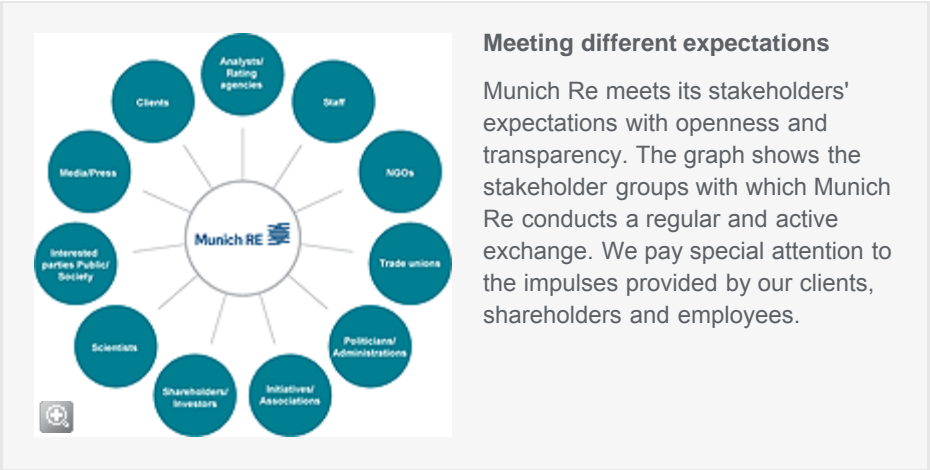
## In direct contact

Munich Re has always valued 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, for which we offer suitable business solutions or develop them for the future.

Our stakeholders' expectations provide Munich Re with important stimuli. Our aim is to add value for both stakeholders and ourselves through dialogue. In particular, we seek to identify social developments and trends at an early stage and so to develop innovative risk covers and specialised products for the benefit of all our stakeholders.

Actions

- » EXPAND ALL
- » COLLAPSE ALL



▼ Dialogue with our staff – An open partnership

**With their dedication and range of experience, Munich Re's employees make a vital contribution to the success of the whole Group. We therefore encourage an open and equitable dialogue with our staff.**

We conduct an ongoing dialogue with staff at all levels throughout the world. This exchange helps us to reiterate the expectations we have regarding management performance at Munich Re. Communication with staff includes regular feedback such as the annual performance appraisals and discussion forums or cross-divisional colloquia. Such measures help to promote dialogue from senior management to staff. Board members and managers regularly field questions from staff on current topics. In addition to this, there are also internal communication channels, some of which are equipped with direct feedback options and via which we report on a regular and up-to-date basis on subjects relevant to the Group and our staff. Examples are the online magazine "go ahead" for the Group, reinsurance and Munich Health, and the staff magazines "ERGO.magazin" and "MEAG.COM".

▼ Our client management – Needs-based, solution-oriented, versatile

**Munich Re's central objective is to be a reliable, solution-oriented partner for our clients. We offer primary insurers, private clients and companies tailored products and services in our fields of business.**

Munich Re has differently structured client bases in reinsurance, primary insurance and capital management.

- Reinsurance worldwide works together with over 4,000 insurers from more than 160 countries. At the heart of this are solution-oriented approaches, frequently in cooperation with clients – such as in the case of the DESERTEC desert-power project, new risk covers for oil production risks or the generation of renewable energies. This approach is underlined by the many international client seminars in Munich and numerous client events in Munich Re's International Organisation that were held in 2011. Just like the two international scholarship programmes for prospective managers at our primary insurance client companies, these events help to ensure a constant dialogue. Our clients also benefit from a special online platform ( » connect.munichre ) where client-focused services, topical and historical information on business and market developments can be accessed.
- This clear client focus is also a key aspect of our primary insurer ERGO, which has some 40 million mainly private policyholders. At the heart of the ERGO philosophy are clear and up-to-date communication, clearly structured and easy-to-apply feedback management, and speedy and efficient assistance and regulation in the event of loss. The claim "To insure is to understand" is being systematically implemented with needs-based, customer-centric consultancy, easy-to-comprehend communication and customised products that take account of and are geared to the clients' concerns. Our ERGO customers have a variety of sales channels to choose from: self-employed agents, direct sales staff, brokers and strong cooperation partners servicing private clients and firms in Germany and abroad. In Germany and various other European countries, ERGO has a distribution partnership agreement with the major European bank UniCredit Group and other banks.
- Since 2009, Munich Health has been a separate business segment within Munich Re alongside primary insurance and reinsurance, pooling our global health

expertise in primary insurance, reinsurance and risk management. This set-up enables us to specifically leverage identified opportunities with integrated, smart solutions for individual local needs. In this way, we achieve sustainable growth and excellence – to the benefit of all stakeholders. From Munich, Munich Health services the needs of insurance companies in more than 40 countries, and primary insurance clients in over 100 countries. A showcase example of this is the innovative » **public-private partnership** with the regional health insurer Daman National Health Insurance in Abu Dhabi, which benefits from our many years' experience in disease management and our innovative service concept for the insureds. Every two years, DKV Seguros, our Spanish Munich Health subsidiary, actively approaches its target client groups in order to sound out new requirements and current changes.

- MEAG's clients and investors can also depend on close and reliable cooperation. Private and institutional investors, e.g. foundations, regard MEAG as the optimal partner for their investments. Investors outside the Munich Re Group invested around €10.4bn (as at 31 December 2011) with MEAG in tailor-made investment products.

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▼ **Open and direct – Dialogue with our shareholders**

**Munich Re cultivates an ongoing dialogue with private and institutional investors, analysts and rating agencies. This dialogue is part of our corporate strategy designed to achieve a sustainable increase in value.**

Shareholders and other players in the capital market want detailed up-to-date information about our company and the (re)insurance sector. In one-on-one meetings, specialist interviews, roadshows or via the internet, we provide them with detailed information on the opportunities and risks of our business. Munich Re's website offers a broad range of information to investors. The presentations we use at our events for analysts and investors are published here, as are our quarterly financial statements. All major meetings and exceptional sessions with the press, for instance when the planning entity of » **Desertec Industrial Initiative** (Dii) GmbH was set up on 13 July 2009, are streamed live online. The 125th AGM in April 2012, which was personally attended by over 4,000 shareholders, was another event that was streamed live online for countless investors who could also cast their votes in this way. There is a team of experts on hand to answer enquiries that come in on the shareholder hotline or by e-mail. Additionally, the service pages of our internet-based shareholder portal offer our registered shareholders a wide range of background information and services on Munich Re's shares. Neutral third parties and specific market research institutes (e.g. Flaspöhler) regularly conduct and review the results of client surveys and estimates regarding our Group. These results are then taken into account in our strategic planning.

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▼ **Exchange with science, politics and NGOs**

**Munich Re (Group) seeks to bring its considerable know-how to bear on the discussions concerning the challenges facing our society today. For this reason, we actively collaborate with a wide variety of interest groups and NGOs and with experts from the world of politics, public administration, and science.**

For example, experts from Munich Re's » **Corporate Climate Centre** (CCC) maintain close contact with researchers, associations and organisations worldwide and are involved in a number of national and international research and development projects. In addition to partnering with various German and American universities, we also work with the London School of Economics and Political Science (LSE) on ways of making the economic consequences of climate change quantifiable.

Another important partner for us is the German Agency for International Cooperation (GIZ). Together with state institutions, associations and companies, Munich Re and GIZ have established several public-private partnerships in developing countries. Such projects create a basis for providing adequate insurance protection to the poorer sections of the world's population thanks to innovative financial solutions. Examples such as these underscore our aim of helping to solve ecological and social problems through dialogue.

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## CHALLENGES

### Action not reaction

Munich Re's business environment is in flux, presenting ever new opportunities and risks. Key factors such as climate change or globalisation of the financial markets constitute major challenges. Munich Re addresses these challenges actively and flexibly, providing tailor-made solutions.

#### Meeting challenges head on, identifying potential

Humanity is facing a multitude of global problems. Munich Re has identified several of these as particularly significant for the insurance industry and itself. Besides climate change and global geopolitical and economic interaction, these problems include demographic change and tackling social inequalities. Finding solutions for them is a top priority. Bearing in mind our stakeholders' expectations, we have selected the topics that are most important to us, with the objective of identifying their driving forces, understanding new developments, and mastering the challenges in our core business – for instance, by way of new coverage concepts or through innovative partnerships with different social actors.

Our tasks include using new findings and advancing the risk models used. Our extensive know-how and decades of experience mean we can actively shape the changes taking place within the context of the new normal.

#### Extending the boundaries of what is feasible

Our experts from more than 80 specialist fields in 50 countries analyse a vast range of the risks encountered in our complex world. In doing so, it is also our aim to continually push back the boundaries of insurability. Munich Re assumes social responsibility and brings economic, ecological and social requirements into harmony, while at the same time creating value for clients and investors.

#### Climate change



Munich Re is a pioneer in analysing climate change. Customised, innovative coverage concepts promote the development of low-carbon and carbon-free technologies. » more

#### Globalised financial markets



For years, we have systematically pursued a risk and investment strategy that secures Munich Re's sustainable development. » more

#### Demographic change



The insurance industry is called upon to devise new solutions to demographic developments. Munich Re develops customised offers in different business fields. » more

#### Access to financial solutions



Munich Re offers financial solutions specially geared to the financial situation and living conditions of disadvantaged population groups. » more



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## Putting knowledge to use, devising solutions

In the financial and insurance sector, Munich Re is a pioneer in analysing the consequences of climate change. We are continually expanding the competence we have gained over decades in order to promote climate-protective solutions, for example, new cover concepts for investors in innovative, climate-friendly technologies. Moreover, we plan to place all our business activities within Munich Re (Group) throughout the world on a climate-neutral basis.

In 2008, Munich Re pooled the knowledge it had accumulated on climate change in the course of more than three decades in its newly established » Corporate Climate Centre. In this network, staff members from all parts of the Group research the consequences of climate change and devise pioneering concepts and solutions. They maintain a close dialogue with scientists, associations and research organisations all over the world. For example, Munich Re works with the London School of Economics and Political Science (LSE) on ways of making the economic consequences of climate change quantifiable.

### New measures and regenerative solutions

New insurance products in Munich Re's core business include crop failure covers and policies providing protection against flood damage. We also offer a truly unique service for better identifying complex natural hazards: the NATHAN Risk Suite, our programme for precisely defining sites highly exposed to climate change. To smooth our transition to a low-carbon society, Munich Re is developing specific insurance products in the area of renewable energies, for instance innovative cover concepts for solar cells or for manufacturers of wind farms. In 2009, moreover, Munich Re joined with the DESERTEC Foundation and other international corporations to found the industrial initiative Dii GmbH. Its long-term goal: solar and wind power generated in the desert. To mitigate the effects of climate change, Munich Re is also investing in renewable energies and new technologies within the framework of its RENT programme.



“Climate change is one of the greatest risks facing mankind this century. Through a part of its core business, the insurance industry is directly affected and therefore assumes a leading role in devising solutions for climate protection and adaptation to the inevitable changes.”

Prof. Peter Höppe, Head of Munich Re's Geo Risks Research/Corporate Climate Centre

### Striving to benefit humanity

At the same time, Munich Re also plays a role in various national and international climate-protection bodies, for instance in the United Nations Environment Programme. In the Umweltpakt Bayern (Bavarian Environmental Pact) and as a member of the Board of the Global Climate Forum – formerly known as the European Climate Forum – we share our expertise with other companies, political decision-makers and the general public. In 2005, Munich Re also initiated the Munich Climate Insurance Initiative (MCII). Comprising insurance, climate and economic experts and NGOs, the MCII prepares risk-transfer solutions for developing and emerging countries within the framework of the World Climate Conference (UNFCCC). These solutions mainly include new solutions for the Caribbean nations, which are among the worst hit by climate change. Microinsurance is particularly suitable here, as it enables swift and unbureaucratic aid when loss or damage occurs.

### Group-wide climate neutrality by 2015

Munich Re advocates effective and binding rules on carbon emissions not only internationally, but also internally: business operations throughout our Group are to be made carbon-neutral by 2015 based on our internal environmental management system, which enables us to continually improve our ecological footprint and carbon emissions performance.

#### Related topics

- » Sustainable investment
- » Ecological awareness
- » Solutions
- » Memberships and partnerships

[munichre.com](#)

- » Focus topic Climate change
- » NATHAN Risk Suite

#### External links

- » MCII (Munich Climate Insurance Initiative)
- » Dii
- » LSE (London School of Economics and Political Sciences)



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## Coping with risks through responsible action

Our aim is to offer our investors a safe investment with an attractive return. For years, we have systematically pursued a risk and investment strategy that secures Munich Re’s sustainable development. We do not allow short-term trends in the international financial markets to throw us off course. The fact that we were able to manage the financial market crisis relatively well confirms we are on the right track.

Developments since the beginning of this decade have shown that we must expect » volatility in the international financial markets to remain high. Where and when crises and booms develop in future – and the magnitude they assume – is impossible to predict with certainty given the complexity of the international interdependences involved. Our risk and investment strategy allows for this fact. On the other hand, the capital market is sensitive to short-term developments of listed companies. It is against this background that we define our strategy.

### Clear financial management brings long-term success

Munich Re has clearly positioned itself with its disciplined financial management. Our integrated risk management enables us to identify and manage all the significant risks in our Group. Our investment policy allows only investments based on our defined risk appetite and on sustainability. In pursuing this policy, we remain true to our principle of investing solely in assets we understand. Our value- and risk-based management is geared to the evaluation of risk on an economic basis. We consider only investment returns – particularly in the case of long-term business – that can be achieved even in times of crisis. It is this disciplined management that enables us to secure the financial strength of our company in the long term and that forms the basis of our business and our stakeholders’ confidence in Munich Re. That is why we were able to support our clients with comprehensive solutions and offer them stability throughout the financial crisis. Munich Re’s shares offer all investors a » risk-return profile that is attractive in the long term. Thanks to this safe investment approach, we were in a position to maintain our dividend policy and buy back shares as planned.

### Investments in companies with sustainable business practices

Irrespective of developments in the financial markets, Munich Re has determined that 80% of Group-wide investments in shares and government and corporate bonds should comply with sustainability criteria. We are convinced that the risks of sustainable investments are often lower and their long-term returns tend to be higher because they are more crisis-resistant.

Munich Re is also an investor in renewable energies. Munich Re expects premium volume in this segment to increase substantially by 2020. In mid-2010, we launched our investment project RENT (renewable energies and new technologies). Since then, Munich Re and MEAG experts have been sounding out the potential for significant investment in renewable energy and new technologies, in a move aimed primarily at energy generation from non-fossil sources. Munich Re’s asset manager MEAG is responsible for selecting and managing the investments.

#### Related topics

- » Sustainability and Munich Re shares
- » Sustainable investments
- » Climate change
- » Project RENT

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# DEMOGRAPHIC CHANGE



## The challenges posed by demographic change

Particularly in industrialised countries, people are tending to live longer on average, while birth rates are declining. » Demographic change is altering our society and requires new solutions from the insurance industry as well. Munich Re is applying its extensive knowledge to address this dynamic development with customised offers in the various fields of business, a prudent staffing policy and by promoting social diversity.

As a global group, Munich Re carefully monitors the special needs of individual markets and the changes to be expected in their age structures. In the industrial nations, for instance, the costs of pension insurance and healthcare are continuing to spiral upward. What's worse, the number of people without health insurance is rising continually. However, the trend towards increasing life expectancy is also evident in many emerging countries – as is the necessity of providing minimal healthcare to the population as a whole.



### Making pension models sustainable

There will be dramatic cuts particularly in old-age pensions. People will increasingly have to finance not only a state pension, but also a private one in order to maintain their standard of living over the long term. Regardless of whether life policies or other sustainable models are needed, ERGO is a strong, reliable partner that offers its clients a broad spectrum of flexible pension products.

### New tasks in the healthcare sector

Munich Re's reinsurance sector is firmly committed to covering primary insurance clients' risks, especially in the area of healthcare. Altered living and nutritional habits are causing an increase in diseases of affluence. The incidence of cancer and cardiovascular diseases is also rapidly on the rise, as are treatment costs. Munich Re is addressing this trend by pooling its expertise in a dedicated unit: Munich Health offers preventive measures, a range of private covers and medical care options as well as advice to governments on healthcare systems.



“Munich Health brings together a unique spectrum of service providers and risk carriers under one roof, extending from pure reinsurers and traditional primary insurers to full-range providers of integrated insurance and healthcare services.”

Dr. Wolfgang Strassl, member of Munich Re's Board of Management and responsible for the Munich Health field of business.

### Forward-looking human resources policy

Current demographic trends pose a challenge even for a global company such as Munich Re, particularly in view of the forecast reduction in well-trained young college and university graduates. We are therefore already offering specific, individualised further training and career planning within the Group to ensure that our staff can develop optimally. The issue of diversity is therefore crucial to success and of paramount importance to us. It defines a workforce characterised by a wide variety of social backgrounds and broad experience as one objective of successful human resources work. The Group-wide introduction of a diversity strategy in 2011 and the respective policy in 2012 underscores our intention to be prepared for these developments. In this context, public events such as the Munich Re Foundation's forums also constitute an important contribution.

- Related topics
- » Responsibility for staff: Training and development
  - » Responsibility for staff: Diversity





ACCESSING  
FINANCIAL  
SOLUTIONS

Taking insurance a stage further

Millions of people, primarily in developing countries, lack adequate insurance cover and financial protection. At the same time, it is these countries that suffer frequent natural catastrophes. Munich Re has entered into » public-private partnerships in primary insurance and reinsurance in order to further the development and propagation of innovative insurance solutions for the populations affected by such risks – while tapping into new markets and business segments.

Developing and emerging countries are very frequently struck by natural catastrophes such as floods, earthquakes and cyclones. At the same time, only around 3% of the population of the 100 poorest countries in the world have insurance that would cover the material damage incurred in such instances and thus guarantee a stable economic existence. In Bangladesh, Laos, Angola and Ethiopia, fewer than 1% of the population have access to insurance.

Tapping into the emerging-countries growth market

Consequently, insurance products of this type also constitute a growth market for the insurance industry. Munich Re’s reinsurance, primary insurance and Munich Health business segments are responding to the demand for catastrophe loss cover, providing insurance solutions specifically tailored to the risks and economic situation of these regions.

Public-private partnerships smooth the path

Munich Re is working on new solutions with regional experts and global partners. A good example is the Munich Climate Insurance Initiative (MCII). Public-sector institutions, cooperatives, NGOs and private-sector companies are all involved in such multi-sectoral, public-private partnerships ( » public-private partnerships). Only by pooling resources can sufficient risk capital, optimal marketing channels, public funding and above all suitable products be ensured – in addition to the necessary legal parameters – in developing and emerging countries.



“We want our clients to consider us the 'number one choice'. They include insurers, brokers, industrial clients, government and non-government organisations. [...] The keyword here is public-private partnership.”

Dr. Torsten Jeworrek, member of the Board of Management and Chairman of Munich Re’s Reinsurance Committee.

Microinsurance risk transfer solutions

Microinsurance is a promising product solution in terms of promoting the spread of insurance cover. In addition, it gives low-income sections of the population financial protection, and cover against risks such as weather-related losses. At the same time, microinsurance is also an answer to the appeal made by the G20 countries at the Toronto summit in 2010 that people on low incomes be given better access to financial services.

Munich Re Foundation promotes microinsurance dialogue

Munich Re is also involved in the microfinancial services sector through the Munich Re Foundation. The foundation and the global Microinsurance Network jointly host the annual International Microinsurance Conference in an emerging or developing country to discuss recent developments in this field and, more particularly, to promote the knowledge of risk-protection principles and opportunities for low-income population groups (capacity building). This provides an international forum at which experts can use their experience and concepts to discuss ways of overcoming obstacles currently encountered in this sector.

Related topics

- » Solutions: Microinsurance (reinsurance)
- » Solutions: Microinsurance (primary insurance)

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- » NATHAN Risk Suite

External links

- » Munich Re Foundation
- » Munich Climate Insurance Initiative (MCII)

Downloads

- » Munich Re NATHAN World Map of Natural Hazards (PDF)

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## MANAGEMENT

### Responsible management – A promise for the future

**For Munich Re, responsible action is a basic prerequisite for business success. Long-term thinking, efficient risk and capital management and high legal and ethical standards are some of our success factors that convince our investors and clients of our entrepreneurial approach. We also want to create sustainable value through consistent environmental management.**

The principles involved in insurance and corporate responsibility are similar in character. At the heart of both lies a promise for the future. The concept of insurance is based on the fulfilment of long-term contractual obligations. To us as a risk carrier, a prospective, prudent and responsible approach is a matter of course.

#### Corporate management with vision

The fundamental approach to our actions has been anchored in our new mission. We integrate corporate responsibility directly into our strategy and into all business areas and processes worldwide. Prudent company management and sustainable capital management, strategic human resources planning and increasingly important environmental protection are all part of this.

We have committed ourselves to Group-wide codes and regulations that frequently go beyond what the law requires in order to meet our ethical and legal standards. Munich Re creates long-term value by practising prudent financial management. This is borne out by the excellent performance of Munich Re's shares. Responsibility and fairness are also a major feature of our human resources planning. We create optimal working conditions for our staff and support their personal and professional development in various ways.

#### Commitment to the climate and environment

Munich Re seeks to play its part in maintaining the ecological balance. With our expertise in climate change, we set a positive example through our consistent environmental management. On this basis, we reduce ecological risks and conserve resources, for example by using electricity from renewable energy sources and by increasing the energy efficiency of our office buildings. Our objective is to make office buildings at all companies in Munich Re (Group) carbon neutral by 2015. To this end, we are also committed to a number of agreements and initiatives.

#### Responsible corporate governance



Responsible corporate management means more than simply adhering to current laws, which is why we also have our own internal Code of Conduct based on high ethical and legal standards. » more

#### Sustainable investments



Like all insurance companies, Munich Re is subject to strict security and return requirements. This is not the only reason we are committed to investing our capital reliably, transparently, and profitably. » more

#### Responsibility for staff



Our human resources policy is firmly based on a responsible corporate and leadership culture. We reward performance, encourage personal responsibility and facilitate personal development. » more

#### Our environmental awareness



Our commitment to protect the natural environment plays a key part in our corporate responsibility strategy. After all, the financial success of a company like Munich Re is inseparably linked with protecting people, the environment, and property. » more

#### External links

» Sustainable business practices at ERGO



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## Prudence engenders trust – For long-term value creation

There is more to responsible corporate governance than satisfying legal requirements, which is why we also have our own internal Code of Conduct based on high ethical and legal standards. Prudent management practices and ethically responsible conduct are cornerstones of Munich Re's long-term success. This is also part of our Code of Conduct.

And this is how we will continue to inspire the confidence of our investors, clients and employees – as well as of the public in general. We adhere to selected national and international codes and standards. The » [Code of Conduct](#) introduced at Munich Reinsurance Company in 2006, the reinsurance group and MEAG in 2007, and ERGO in 2008 sets out what we understand by legally impeccable behaviour, based on ethical principles. This code is the basis for obeying further » [Compliance rules](#) in all Munich Re units. We also adhere to the ten principles laid down in the United Nations » [Global Compact](#), to which we became signatories in September 2007.

### Corporate Governance – Efficient and structured

Good corporate governance creates lasting value. We therefore subscribe to the highest standards and are committed to an effective division of responsibilities within Munich Re's management. » [more](#)

### Compliance with laws, regulations and codes

Munich Re has clear goals and values, including compliance with laws and consequently zero tolerance regarding corruption and other forms of financial crime. A Group-wide Code of Conduct and strict monitoring measures backed up by suitable information and documentation systems help to prevent any infringements of laws or regulations. » [more](#)

### Anti-fraud management – Measures to combat financial crime

As companies grow and their structures become increasingly complex, the risk of becoming a victim of financial crime also increases. The financial loss, coupled with the damage to the company's reputation, may be devastating. Munich Re resolutely counters this risk with effective anti-fraud management. » [more](#)

### Risk management – The guidance system for corporate governance

Effective risk management preserves Munich Re's financial strength, secures our clients' claims to benefits, creates enduring value for our shareholders and protects our reputation. » [more](#)

### Munich Re shares – An investment in sustainability

The consistent emphasis on sustainability in our corporate governance is also reflected in our share price. Munich Re shares and their specific » [risk-return profile](#) are an attractive option for investors. Their attractiveness is enhanced by the fact that Munich Re pursues a policy of open and transparent communication with shareholders, clients and investors. » [more](#)

### Guidelines for dealing with journalists

Munich Re respects journalists' independence and favours a strict separation of journalism and public-relations work. We ensure that our cooperation with journalists does not influence media reporting about our company or issues related to our company. » [more](#)

#### External links

» [Responsibility and dialogue at ERGO](#)

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## RESPONSIBLE CORPORATE GOVERNANCE



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## Corporate Governance – Efficient and structured

**Good corporate governance creates lasting value. We therefore subscribe to the highest standards and are committed to an effective division of responsibilities within Munich Re’s management.**

We define » corporate governance as responsible corporate management and control geared to long-term value creation. To ensure that these activities are performed effectively, we apply nationally and internationally recognised standards. Another success factor is the efficient, enduring work of our Board of Management and Supervisory Board, and the superb collaboration between these bodies.

### Meeting the most demanding requirements

Given its international orientation, Munich Re has to consider the corporate governance rules of all the markets in which we operate. In Germany, these standards are established primarily in the German Stock Companies Act and the » German Corporate Governance Code (DCGK). Since 2002, this Code has contained the main legal rules to be observed by listed German companies. Also applicable in our case is the German Act on the Co-Determination of Employees in Cross-Border Mergers (MgVG) and a co-determination agreement concluded in December 2008 on the basis of the MgVG.

### Separate responsibilities and a common objective

The Board of Management and 20-member Supervisory Board both contribute to effective, long-term corporate governance. The Board of Management is responsible for managing Munich Re and must ensure compliance with statutory requirements and internal corporate directives. The company is a parent group with clearly delineated areas of responsibility, the Group Committee being responsible for all holding functions, while the Reinsurance Committee oversees the reinsurance business. Both of these spheres of activity are stipulated in the Board of Management’s rules of procedure. The Supervisory Board appoints the members of the Board of Management and is involved in fundamental decisions regarding strategic planning and business development. The Board of Management, whose remuneration is geared in particular to long-term corporate performance, has the duty to report regularly to the Supervisory Board on all matters having significant bearing on the corporation. For certain types of transactions, for instance investments, the large-scale disposal of assets or individual capital measures, the Board of Management is required to obtain the consent of the Supervisory Board.

### Tried and tested efficiency

Half of the Supervisory Board comprises employee representatives and the other half shareholder representatives. There are no overlaps, i.e. no one is a member of both the Supervisory Board and the Board of Management. Suitable candidates for the Supervisory Board are selected on the basis of “fit and proper” criteria, in particular their professional abilities, personal qualities and degree of independence. The Supervisory Board regularly monitors the effectiveness of its work. In the 2011 financial year, the result of this efficiency audit was extremely positive, with consistently favourable evaluations. These were also attributable to the role of the five Supervisory Board Committees. In addition to the Standing Committee, these comprise the Personnel Committee, the Audit Committee, the Conference Committee and the Nomination Committee – and prepare resolutions for the Board as a whole, thus increasing the effectiveness of the Board’s work.

[munichre.com](#)

» Corporate Governance

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» Corporate Governance at ERGO

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## Compliance with laws, regulations and codes

Munich Re has clear objectives and values, including compliance with laws and consequently zero tolerance regarding corruption and other forms of financial crime. A Group-wide Code of Conduct and strict monitoring measures backed up by suitable information and documentation systems help to prevent any infringements of laws or regulations.

» Compliance – i.e. “acting in accordance with applicable laws and internal company directives and principles” (according to the definition in the » [German Corporate Governance Code](#)) – is an integral part of Munich Re's corporate strategy.

### Code of Conduct with binding rules

Another guiding principle of our actions is our » [Code of conduct](#), which describes our understanding of values and has also been implemented by our subsidiaries. It specifies rules that are binding for all Munich Re staff, and it is regularly reviewed and updated. In 2011, for instance, it was supplemented by the code of conduct for all dealings with brokers and by a guideline prohibiting business with the producers of landmines and cluster bombs. In accordance with Article 7 of the Code of Conduct and the special regulations regarding financial sanctions (available on the intranet), all employees must ensure that their unit and Munich Re adhere to the applicable sanctions and are not wrongfully used for the financing of terrorist organisations, money laundering or other illegal purposes. Staff must therefore check that sufficient information is held on business partners, their background and the purpose and admissibility of any intended transactions before they take place.

### Systematically expanding compliance management

To optimise the outcome of this value management, we are constantly refining our compliance measures and conveying our knowledge in face-to-face training and e-learning programmes. In 2011, we added a new module to the Code of Conduct. The fact that we need to enhance our service and further improve communication is also underscored by the Compliance Awareness Survey among our staff. In particular, we are expanding our training on major risks such as corruption and data protection. And our induction course for new staff includes the subject of compliance.

### Safe channels of communication and protection of anonymity

In addition to monitoring compliance, Munich Re has introduced a Group-wide system for the reporting of any legal or regulatory infringements. The system allows rapid reporting on infringements via the Compliance Officer to the Board of Management. The Compliance Officer is the contact point for all questions and assists the Board of Management in developing and implementing organisational measures. Employees have the opportunity to report incidents directly to the Compliance Officer or Group Audit. To strengthen the compliance system further, an independent, external » [ombudsman](#) has been appointed.

### ERGO anchors compliance in its corporate structure

An independent compliance has been set up by the primary insurer, with Stefanie Held – attorney and acknowledged expert – holding the position of Chief Compliance Officer since January 2012. She has an exclusive and direct reporting line to Dr. Torsten Oletzky, Chairman of the Board of Management. In addition, ERGO has supplemented its compliance rules, expanded its code of conduct to include independent agents and tightened up the implementation of these rules and regulations. These include an extensive reporting system and clear requirements for performance premiums.

### Global Compact as the central guideline

Munich Re remains committed to the implementation of the ten principles of the United Nations » [Global Compact](#). These represent a worldwide standard and help us to continue to improve our corporate responsibility. The Communication on Progress (COP) is located here on our corporate responsibility portal.

In our procurement policy, we also aim to achieve a balance in terms of economic, ecological and social aspects. The internal purchasing guideline of Munich Re (reinsurance) stipulates that from October 2009 on all newly concluded contracts with suppliers and service providers must include an appropriate corporate responsibility clause. In this way, we extend the commitments of the Global Compact to our business partners as well.

The clause, which will be implemented in the purchasing guidelines further on group level through a graduated scheme formulates: “Munich Re is a member of the UN's Global Compact initiative. Munich Re has thereby committed itself to protecting human rights, preventing forced, compulsory and child labour, promoting environmental protection, and combating corruption. Accordingly, as a prerequisite for cooperation, Munich Re also expects its business partners to comply with the principles laid down in the UN's Global Compact. In the event of breaches of these principles, Munich Re reserves the right to cancel the contractual relationship by way of extraordinary termination for good cause.”

### Related topics

» [Challenges: Climate change](#)

### Downloads

- » [munichre.com: Risk report \(PDF, 542 KB\)](#)
- » [munichre.com: Code of conduct \(PDF, 209 KB\)](#)
- » [ERGO: Code of conduct \(PDF, 201 KB, German version\)](#)
- » [ERGO: Code of conduct sales force \(PDF, 186 KB, German version\)](#)

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## Anti-fraud management – Measures to combat financial crime

As companies grow and their structures become increasingly complex, the risk of becoming a victim of financial crime also increases. The financial loss, coupled with the damage to the company's reputation, may be devastating. Munich Re resolutely counters this risk with effective anti-fraud management.

Financial crime ranges from directly caused asset losses to corruption and manipulation of accounts. Although there is no such thing as complete protection, much can be done to reduce the risks. Munich Re supplements its compliance measures with comprehensive anti-fraud management ( » [Fraud](#)) in all Group companies. These measures include strategies for preventing and detecting fraud and corruption as well as clearly defined steps that are to be taken in response to such incidents.

### A network of experts is active

At the Group level, Munich Re's Fraud Prevention Officer leads the activities of a special working group, the Fraud Prevention Committee. It consists of staff members from Compliance, Group Legal, Group Audit, Risk Management, Human Resources and Group Communications. The committee develops anti-fraud management methods and standards to be applied throughout Munich Re.

Based on these measures, each of the Group companies operates its own anti-fraud management system. A "one-size-fits-all" approach is not expedient because the circumstances and risks vary too much from one company or subsidiary to another.

### Fraud prevention officers assist management

In some cases, owing to the size of a subsidiary or the nature of its operations, its management is assisted by a local Fraud Prevention Officer, who develops anti-fraud measures meeting the needs of that particular company. The local officer also informs Munich Re's Fraud Prevention Officer of any suspicions early on. Reported cases of fraud or suspected fraud are thoroughly investigated with the help of either appropriately qualified Group Audit staff and/or external specialists.

### Group Audit supports anti-fraud management

Along with carrying out compliance measures and cooperating in the Fraud Prevention Committee, Group Audit also supports Munich Re's Board and managers in performing their supervisory duties and effecting appropriate, risk-oriented anti-fraud management. These auditing and consulting services help to improve our processes, structures and systems and to minimise the risks.

### Group Audit enhances effectiveness

In close collaboration with our subsidiaries, Group Audit furthers the development of rules, processes, methods and tools to be used for auditing within Munich Re. This ensures that the Board is advised of all processes and transactions of relevance for audits and is supported in applying uniform controls at all our subsidiaries. Group Audit's activities, which focus on monitoring risks and assessing the effectiveness of the control systems, are key to successful anti-fraud management.



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## RESPONSIBLE CORPORATE GOVERNANCE



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## Risk management – The guidance system for corporate governance

Effective risk management underpins our financial strength, enables us to meet our obligations to clients, creates sustained value for our shareholders, and protects Munich Re’s reputation.

Accepting risks is our business, and our risk strategy defines the scope of the risks we assume for our clients and shareholders. At operational level, Munich Re’s implementation of risk management embraces the identification, measurement, analysis and assessment of risks, and the resultant risk reporting, limitation and monitoring. Here we distinguish between market, credit, liquidity and reputational risks on the one hand and operational and strategic risks on the other.

### Efficacy through transparent management

To provide for effective risk management, Munich Re has established specific risk management functions and committees. The Integrated Risk Management Division is responsible for risk management throughout the Group. It is headed by the Group Chief Risk Officer (Group CRO), who – like the CROs in the individual units – is backed by highly qualified interdisciplinary teams. All Group units involved in handling risks also have the duty to ensure active risk management within their respective areas of responsibility. Our risk management thus covers all units and exposures. The Integrated Internal Control System (ICS) set up in 2008 plays an important role in this regard, as it harmonises the different systematic approaches, whilst ensuring that the risks assumed are dealt with in the appropriate manner.

### Definition of risk strategy

The development of our risk strategy is embedded in our business strategy. It is approved by the Board of Management and discussed regularly with the Supervisory Board. It takes into account the interests of our clients and shareholders. A great deal of our attention also focuses on protecting our reputation.

Our risk strategy is determined by our risk appetite, which is defined for a series of criteria. Our risk appetite is based on the capital and liquidity available and on our earnings target within specified volatility limits, and provides a frame of reference for the Group’s operating divisions.

### Multidisciplinary approach towards emerging risks

We pay particular attention to so-called emerging risks, i.e. risks that are difficult to assess and arise as a result of changes in, for example, economic, legal, socio-political, scientific or technological parameters. We follow a multidisciplinary approach, utilising the expertise and experience of all our specialists, who include geoscientists, engineers, biologists, underwriting experts, lawyers, economists, sociologists and actuaries. Detailed analyses and assessments of topics such as nanotechnology, pandemics and IT risks are routinely prepared by a specially staffed 30-member Emerging Risk Think Tank in place since 2011.



“Risk management is not just about quantitative methods. It also has a lot to do with experience and plain old common sense. This is an essential part of our risk culture or, in other words, the foundation of our Enterprise Risk Management.”

Joachim Oechslin, Group Chief Risk Officer

### The Reputational Risk Committee provides advice on sensitive business issues

Munich Re’s Reputational Risk Committee deals with reputational risk issues that arise in the course of our day-to-day business operations. This committee is made up of representatives from various divisional units and central divisions and is headed by the Compliance Officer. All those involved carefully scrutinise the ethical tenability of business transactions on a regular basis. In doing so, they help to avoid operational decisions that could lead to unforeseen reputational risks. Ready to convene at short notice, the committee can discuss an issue and recommend suitable action within 48 hours.

### Related topics

» Challenges: Climate change

### Downloads

» munichre.com: Risk report (PDF, 542 KB)

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## Munich Re shares – An investment in sustainability

The consistent emphasis on sustainability in our corporate governance is also reflected in our share price. Munich Re shares and their specific » risk-return profile are an attractive option for investors. Their attractiveness is enhanced by the fact that Munich Re pursues a policy of open and transparent communication vis-à-vis shareholders, clients and investors.

Munich Re is committed to the creation of sustained value. The strategy derived from this objective has, as our share performance shows, proved its worth in recent economic and financial crises. At the centre of our corporate activities is value- and risk-based management, integrated and active risk management and an all-embracing knowledge of risk. This business policy, which is accompanied by transparent communication with all capital market participants, ensures that our shares remain a stable and reliable investment. Again in 2011, investors benefited from Munich Re's capital strength, tried and tested risk management, and active cycle and portfolio management. A high degree of clarity in leadership and strategy has already won over numerous investors, whose confidence in our company is constantly mounting.

### High standards pay off

The benefits of our holistic approach can be clearly seen in the successes achieved to date. Since 2001, for instance, our shares have featured in the Dow Jones Sustainability Index and the FTSE4Good. These indices only accept companies that fulfil high ecological and social standards and are among the best in their sector. Munich Re plays a pioneering role here with its corporate responsibility strategy. And even mainstream analysts and major » rating agencies such as Bloomberg and Goldman Sachs are paying more and more attention to sustainability criteria. oekom research AG, one of the world's leading » rating agencies for sustainable investments, recently confirmed Munich Re's prime status.



“In the corporate responsibility area, Munich Re is one of the leading insurance companies. Its strengths include its Group-wide implementation of a climate protection strategy and the good integration of environmental aspects in primary insurance business. At the same time, we see need for action in individual areas. Having signed the Principles for Sustainable Insurance, Munich Re charts indeed the course for the future.”

Dr. Rolf Häßler, oekom Research AG

### Further advantages for investors

Munich Re shares remain a promising stock for many investors, also owing to their favourable financial performance. Particularly convincing are their high » total shareholder return and continuingly low » volatility. We have been able to pay high dividends and continue buying back shares as planned. Our shareholders also value our responsible corporate governance structures and our certified environmental management system. Munich Re's compliance with the UN Principles for Responsible Investment (PRI) in its investment decisions is playing an increasing role for investors and rating agencies – sustainability that pays.

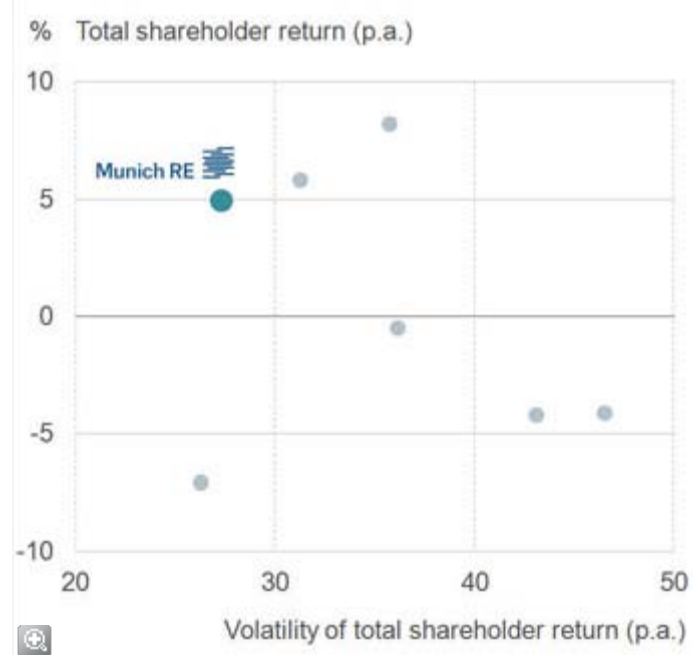
### Promising performance: Munich Re shares

#### Related topics

- » [Principles for Responsible Investment](#)
- » [SRI Indices](#)
- » [Challenges: Globalised financial markets](#)

[munichre.com](#)

» [Investor Relations](#)



The annualised total return on shares takes into account both the change in the share price and the dividends paid over a six-year period (1 January 2005 to 31 December 2011), based on Datastream total return indices in local currency and a volatility calculation with 250 trading days per year.

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## Guidelines for dealing with journalists

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  
Dirk Benninghoff, Hamburg, Germany  
Bärbel Brockmann, Cologne, Germany  
Christoph Fasel, Mössingen, Germany  
Reiner Gärtner, Wangen im Allgäu, Germany  
Leticia Gow, Munich, Germany  
Ralf Grauel, Berlin, Germany  
Beate Hoffbauer, Berlin/Cologne, Germany  
Peter Kleffmann, Hamburg, Germany  
Olaf Kolbrück, Frankfurt am Main, Germany  
Adrian Ladbury, Bournemouth, United Kingdom  
Jane Lanhee Lau, Shanghai, China  
Tobias Mandelartz, Berlin, Germany  
Carl-Eduard Meyer, Hamburg, Germany  
Dr. Tanja Neuvians, Heidelberg, Germany  
Andreas Schuck, Munich, Germany  
Heiko Schwöbel, Tübingen, Germany  
Sivam Subramaniam, Singapore

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

[munichre.com](#)

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## Investing responsibly – Binding criteria

Like all insurance companies, Munich Re is subject to strict security and return requirements. This is not the only reason we are committed to investing our capital reliably, transparently, and profitably. Our investments also fulfil binding sustainability criteria and are in keeping with our commitment to ethical principles. A key component of our successful capital management is a complete record of all our investments to ensure full transparency and long-term security at minimum risk.

MEAG, the asset manager of Munich Re and ERGO, currently has assets totalling some €216bn in its portfolio. Investments of this magnitude entail a substantial responsibility that we take very seriously. That is why our investments also fulfil binding sustainability criteria. In addition, we support innovative power generation by investing in wind and solar parks and systematically promoting new technologies.

### Management of investments – Pooling our know-how for sustainability

MEAG pools its own expertise in capital management with that of the Group and of external partners. The aim is to generate long-term returns and thus achieve above-average performance for investors. » [more](#)

### Interview with Dr. Thomas Kabisch (MEAG)

How is Munich Re's understanding of corporate responsibility reflected in its capital management? In this interview, MEAG CEO Dr. Thomas Kabisch explains why assuming ecological and social responsibility also makes economic sense. » [more](#)

### Principles for Responsible Investment

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. » [more](#)

### RENT – Investing in the energy of the future

The future belongs to renewable energies. That is the reason why Munich Re launched its RENT project, investing mainly in wind farms, solar parks and new technologies in order to meaningfully promote innovative power generation. » [more](#)

#### Related topics

- » [Facts and figures: SRI Indices](#)
- » [Challenges: Globalised financial markets](#)
- » [Solutions: Capital management](#)

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- » [MEAG](#)



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## SUSTAINABLE INVESTMENTS



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PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)

RENT

## Management of investments – Pooling our know-how for sustainability

**MEAG pools its own expertise in capital management with that of the Group and of external partners. The aim is to generate sustained returns and thus achieve above-average performance for investors.**

Our investment strategy is based on the principles of sustainability. MEAG can draw not only on Munich Re's extensive experience in the area of research and assessment of risks but also on that of external rating agencies and research institutions. A stringent investment process and exceptional capital market experience are features of its portfolio management geared to sustainability. 80% of Munich Re's investments in equities and bonds follow the principles of sustainable investment.

### Top-down approach and asset-liability management

The investment approach adopted by MEAG's experts is also geared to long-term, above-average performance. Depending on the specific investment category and focus, the specialists put together fund portfolios based on a » **top-down approach**. Taking into account micro- and macroeconomic factors as well as capital market data, MEAG decides on » **allocation** in individual countries and sectors. Some 70 experienced portfolio managers are in charge of implementing investment decisions and selecting attractive securities. All involved strictly adhere to criteria of » **asset-liability management** and integrated risk management. We thus jointly ensure that we can always fulfil our short- and long-term obligations to our clients.

### Sustainable investments – Our General Investment Guidelines

As early as 2002, we decided that our investments in shares and bonds had to follow certain sustainability principles. In 2005, this requirement was incorporated in our Group-wide General Investment Guidelines (GIG) and extended to government bonds. We decided that at least 80% of corporate investments in shares, government and corporate bonds should meet sustainability criteria. In addition, as of 2011, the asset portfolio was expanded to include investments in RENT (renewable energies and new technologies) and the asset class of real estate (from construction year 2010 onwards).

### Excellent fund management

Given its size and independence from banks, MEAG also obtains detailed information from international investment companies as well as low transaction fees. For this, MEAG received an award from xtp Transaction Partners for "Best Execution" in bond trading, having been rated successfully several times in the equity section of its funds. MEAG is attested as offering very good, and thus well above-average, execution quality in terms of transaction cost analysis. Investors in MEAG's retail and segregated funds can thus benefit from the amount of transaction fees saved. Besides this, the low transaction costs also enable the company to take better advantage of opportunities in the capital markets. In this way, investors reap double the benefit.

### External links

» [MEAG](#)

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## SUSTAINABLE ASSET MANAGEMENT



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#### INTERVIEW WITH DR. THOMAS KABISCH (MEAG)

#### PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)

#### RENT

## Interview with Dr. Thomas Kabisch (MEAG) – “We acknowledge our responsibility.”

How is Munich Re's understanding of corporate responsibility reflected in its capital management? In this interview, MEAG CEO Dr. Thomas Kabisch explains why assuming ecological and social responsibility also makes economic sense.

### Dr. Kabisch, MEAG bases its investments on sustainability. Does a good conscience not have a negative impact on yields?

On the contrary, sustainable development is not only a matter of morals or having a clear conscience – it is also about financial success. We have identified sustainability as an extremely profitable investment topic. Practical experience has shown that in comparison with conventional investments, we can systematically generate higher returns from sustainable investments with a higher probability and at the same level of risk.

### Sustainability is on everyone's lips these days. What do you understand by it?

We are committed to our responsibility as a global group – our corporate responsibility. This means we take equal account of economic, ecological and social aspects in our entrepreneurial activity. We are conscious of an obligation to our stakeholders, but also towards the environment and society. This is why our asset management follows the approach of » **socially responsible investing (SRI)**.

### What does that actually mean in practical terms?

Our economic, ecological and societal commitments are inextricably linked. Munich Re has been investing according to sustainability criteria for many years now. For us, this kind of investment is an established component of our risk culture. Good risk management helps us avoid risks that are difficult to assess and sharpens our awareness for risk-adequate returns. The prospects for investments in companies with sustainable business practices are better in the long term than conventional investments: not only do they have significantly fewer liability and reputational risks, they also have more satisfied employees. Promoting good employee treatment is not only part of our social responsibility – this factor also has a positive influence on companies' productivity.

### You have described the economic and social aspects of your sustainable approach, which also includes investing according to SRI criteria. Where exactly do the benefits of sustainable investments lie?

First and foremost, they contribute to tackling global challenges such as climate change. And not only that: finding solutions to such global problems brings with it a promise of high innovation, growth and thus performance potential. Companies that use raw materials effectively and thus save costs, that rely on regenerative energy sources and gain independence from oil prices, that develop future technologies and thus tap into new markets, are well positioned. And that too has a positive effect on a company's success.

### Insurance companies like Munich Re have recently had to fend off accusations that they slept through the latest stock market rallies.

It must be quite clear to these critics that the financial crisis could have intensified even further. Then the losses would have been higher. Our credo is and will remain that we must never jeopardise our security. Munich Re has always fared well with an investment policy based on conservative values. Our clients have always been able to rely on our stability. And in future too, they can be assured that our operations will be guided by a strong sense of responsibility. Our conviction lies in sustainably generating positive returns with security and social responsibility.

### MEAG has set up three sustainable investment funds. What are the main areas they focus on?

We established the international equities fund “MEAG Nachhaltigkeit” back in 2003. Five sectors are consistently excluded: tobacco, alcohol, gambling, armaments and firearms. We invest around 80% of the fund's assets in international blue chips listed in the Dow Jones Sustainability Index ex All which have proven to be sustainable. The remaining 20% is placed in the shares of small to medium-sized companies with high growth rates and innovative and sustainable business practices. These are the hidden champions which deal in technologies or services such as alternative energies or recycling. The “MEAG KlimaStrategie” equity fund is geared to systematic investment in companies that concern themselves with climate change, either by developing measures to adjust to the consequences of global warming or by providing solutions to reduce greenhouse gas emissions. And “MEAG FairReturn”, which we also made accessible to private investors for the first time in 2010, is a mixed fund largely comprising European securities which we select taking sustainability criteria into account. Our investment objective is positive performance in line with the capital markets. After all, we intend to generate plannable earnings. This fund is thus suitable for reinvesting benefits from maturing life and annuity insurance policies.

### How successful can one be on the stock exchange with sustainability funds?

The prospects for sustainable investments are good here, too. As studies of opportunity/risk profiles by international rating agencies such as Morningstar have shown, sustainability funds can indeed generate better results than traditional equities. This was particularly apparent during the economic and financial crisis.

### How do you ensure that investments in selected companies or new technologies



Dr. Thomas Kabisch has been MEAG's CEO since the joint asset manager for Munich Re and ERGO was founded in April 1999. He is Head of MEAG's Mandate Management Division and thus responsible for the Group's asset management, as well as for MEAG's central functions. Dr. Thomas Kabisch is also Chief Investment Officer (CIO) of Munich Re (Group).

### Related topics

» Solutions: Asset management

### External links

» MEAG

**prove worthwhile?**

We benefit particularly from the expertise pooled in Munich Re as a Group. For example, if no insurance solution is offered for certain offshore wind farms owing to indeterminable risks, we base our investment decision on the relevant knowledge available from our reinsurance business.

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## SUSTAINABLE INVESTMENTS

MANAGING INVESTMENTS

INTERVIEW WITH DR. THOMAS KABISCH (MEAG)

PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)

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## Principles for Responsible Investment – Investing responsibly

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

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



“I strongly believe that the integration of environmental, social and corporate governance (ESG) issues will become mainstream for the investment community. And PRI, with support from UNEP Finance Initiative and UN Global Compact, will be a catalyst and opinion leader for this development.”

Dr. Wolfgang Engshuber, outgoing Chief Administrative Officer of Munich Re of America, was appointed Chairman of the investor-led Principles for Responsible Investment initiative in January 2011.

### 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>Sustainability ratio</b>	– We apply the best-in-class approach to the investment process, which means that, taking all sectors into account, we select especially sustainable securities from the pool of investible equities and corporate bonds. – If two » risk-return profiles are identical, we select the more sustainable issuer.
2	“We will be active owners and incorporate ESG issues into our ownership policies and practices.” <b>Active investor</b>	– We communicate our investment criteria and address these in dialogue with the companies we work with. – Our aim here is to motivate companies to improve their SRI rating or achieve a positive SRI rating for the first time. In this way, Munich Re also promotes issuers’ awareness of SRI.
3	“We will seek appropriate disclosure on ESG issues by the entities in which we invest.” <b>Sustainability disclosure</b>	– For the funds MEAG Nachhaltigkeit, MEAG KlimaStrategie and MEAG FairReturn, we request information relevant to our sustainable investment criteria from the issuers. – We have taken sustainability criteria into account when purchasing real estate since 2007.
4	“We will promote acceptance and implementation of the Principles within the investment industry.” <b>Patron of PRI</b>	– We announce and stress our principles via publications in the financial press and by participating in presentations and conferences on sustainability. In January 2011, for instance, MEAG organised a workshop for institutional investors. – With individual funds and activities, we show how responsible management can be put into practice: – RENT (Renewable Energies and New

### Related topics

- » Strategy and challenges: Guiding concept and mission
- » Solutions: Asset management
- » Challenges: Climate change
- » Environmental commitment

### External links

- » UN: Principles for Responsible Investment



- Technologies),
- MEAG Nachhaltigkeit,
  - MEAG KlimaStrategie,
  - MEAG FairReturn.

5	<p>“We will work together to enhance our effectiveness in implementing the Principles.”</p> <p><b>Cooperation to realise the PRI</b></p>	<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>
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>– When reporting on PRI and our activities in this context, we make use of various communications channels (e.g. financial reports, SRI analyst meetings).</li><li>– Munich Re participates in SRI ratings and takes account of the assessments in its corporate planning.</li></ul>

## SUSTAINABLE INVESTMENTS



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## RENT – Investing in the energy of the future

The future belongs to renewable energies. That is the reason why Munich Re launched its RENT project, investing mainly in wind farms, solar parks and new technologies in order to meaningfully promote innovative power generation.

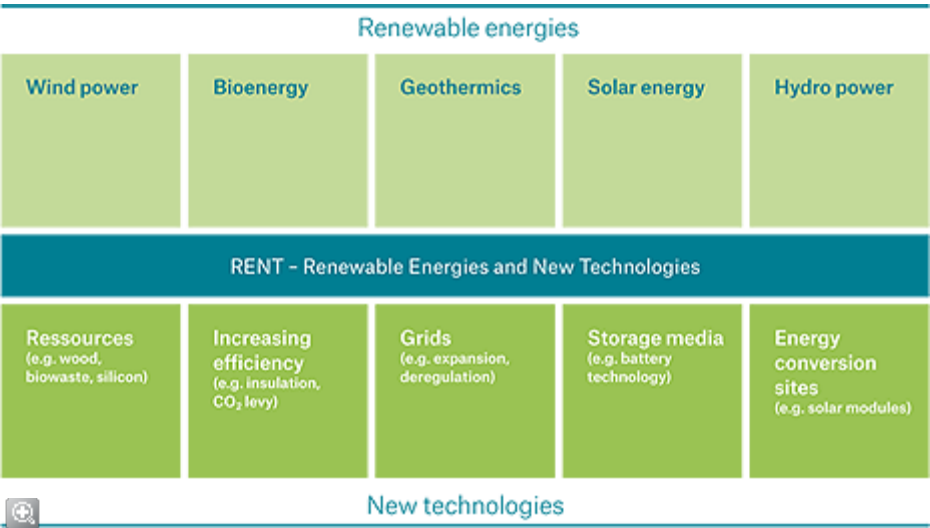
Our RENT (Renewable Energies and New Technologies) investment project was launched in mid-2010. Since then, Munich Re and MEAG experts have been sounding out and realising the potential for strategic investment in renewable energies and new technologies, the main focus being on non-fossil power generation. We are particularly interested in the efficiency and energy-saving aspects.

### Applying all-round knowledge

The RENT initiative focuses mainly on solar and wind farm investments, but we also consider, for instance, geothermal energy, biogas and other attractive projects in the field of renewable energies and new technologies. We assess the risk of the corresponding investments and participations using the comprehensive expertise of our specialists in technological innovations and location analysis. Munich Re aims to invest up to €2.5bn in this segment over the coming years, depending on the prevailing market conditions.

### Significant investment in renewable energies

In 2011, MEAG invested in several promising RENT projects, including solar parks in Spain and Italy and a shareholding in a supergrid operator. A total of half a billion euros has thus already been invested in RENT. On the underwriting side, Munich Re has been involved in renewable energy for many years – for instance, in developing new insurance solutions. Our commitment has a double leverage effect: by promoting new technologies through investments and innovative coverage concepts, we contribute to the advance of social developments.



RENT investments, which are spread over a range of renewable energy sectors, promote technological growth.

### Consolidating synergy effects, developing new products

Our new strategic focus will enable us to exploit overlaps between the investment side and our core business. We are confident that our insurance know-how will continue to enable us to take better investment decisions, which are likely to lead to third-party investments in the respective segments. Very beneficial in this regard is our international experience and know-how at the various locations and in the different fields of technology. At the same time, the knowledge we gain from working with new renewable energy partners will be a useful resource for the development of new insurance products. As a risk carrier and investor, we thus promote the spread of sustainable technologies, simultaneously generating synergies between business and our commitment to sustainability.

### Related topics

- » Challenges: Globalised financial markets
- » Solutions: Insurance concepts for renewable energies

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## Consistent human resources planning

Our human resources management is based on a responsible corporate and leadership culture. We reward performance, encourage personal responsibility and facilitate personal development. This approach not only benefits all our staff but also guarantees our financial success and underpins our excellent reputation as an employer.

Staff development in our company is handled responsibly and takes a number of different forms. In addition to training opportunities, our priorities include fair, performance-related pay and, increasingly, programmes reconciling working life with family life. Our initiatives include prevention and health-promotion measures, such as progressive reintegration into the daily routine after prolonged absences. We are also placing more and more emphasis on our diversity management, with which we aim to utilise our employees' individual potential even more successfully.

### Munich Re as an employer – Maintaining our reputation

Munich Re companies are among the most popular employers globally, not only because Munich Re offers individual development measures and a vast range of challenging jobs but also, first and foremost, because of the employees themselves. The best people find their way to us as a result of our systematic HR work. » more

### Training and personal development – Our aim

Our objective is clear: to attract the best employees for the Group and to retain them in the long term. And so we are committed to a corporate culture that offers opportunities for personal development, encourages independence, and rewards success and performance. » more

### Fair and performance-related remuneration

In the long term, we can only maintain and enhance the high quality of our work if our employees are satisfied, and so we offer our staff first-class conditions. These include fair, performance-related remuneration that ensures everyone is treated equally in terms of opportunities and recognition. » more

### Combining career and family

Finding the right work-life balance, with or without family, is important to success. We create conditions that are among the most attractive in our business environment. Munich Re offers its staff flexible working conditions, interesting working-hour models and needs-oriented support. » more

### Health promotion – Programmes and measures

The well-being of our staff is a matter of priority. Munich Re is therefore actively and firmly committed to promoting their health. For instance, as well as medical care, sport and relaxation programmes, we also offer personal measures to help staff return to working life after a prolonged absence. » more

### Diversity is our strength

The different cultures, mindsets and values of our staff are but three factors whose integration is key to Munich Re's success, because people from different backgrounds contribute individual skills and strengths that help us meet our corporate objectives even more effectively. Our diversity management assists us in identifying and appreciating this heterogeneity. » more

#### Related topics

» Facts and figures: Employee indicators

#### External links

» ERGO as an employer

MUNICH RE >	STRATEGY AND CHALLENGES	MANAGEMENT	SOLUTIONS	COMMITMENT	FACTS AND FIGURES
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» Home » Management » Responsibility towards staff

## RESPONSIBILITY TOWARDS STAFF



### MUNICH RE AS AN EMPLOYER

TRAINING AND PERSONAL  
DEVELOPMENT

FAIR AND PERFORMANCE-RELATED  
REMUNERATION

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HEALTH AT THE WORKPLACE

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## Munich Re as an employer – Maintaining our reputation

At many of its locations, Munich Re is among the most popular employers, not only because Munich Re offers individual development measures and a vast range of challenging jobs but also, first and foremost, because of the employees themselves. The best people find their way to us as a result of systematic HR work.

The business field of reinsurance stands for an exceptional diversity of individual skills and challenging assignments in a demanding and appreciative work environment. Our founder, Carl von Thieme, was considered one of the most socio-politically progressive employers of his time. We uphold this tradition by offering staff first-class benefits and support. Consequently, for many years, Munich Re has enjoyed consistently low staff turnover rates, and many employees have been with us for years.

### Successful with clear positioning

We firmly believe that if we increase staff motivation through personal development, this will continue to have a very favourable impact in terms of keeping Munich Re on its successful course. In an international context, our International Human Resources Committee ensures we uphold high-quality HR standards throughout our reinsurance units.



“Our aim is to attract the best people by clear employer brand positioning: we offer excellent working conditions, good opportunities for personal development and a value-based corporate culture.”

Dr. Peter Seemann, Head of Human Resources at Munich Re

This mindset pays off: Munich Re’s reputation is being consolidated in the face of national and international competition. Our rigorous promotion of health and our diversity principle play a major part here, as does our competitive and transparent remuneration system and family-friendliness. The latter is also attributable to our membership since December 2011 in the city of Munich’s Action Forum for Families, which supports family-friendly projects and initiatives and networks them locally.

Munich Re continues to rank among the top 100 companies in the Trendence Institute’s graduate barometer, according to a survey among some 30,000 students in Germany. Munich Re also features in CNNmoney’s list of the ten “most admired companies” in the insurance segment.

### Good global working climate

Primary insurer ERGO’s positive working climate is not solely confined to Germany. For example, ERGO Hestia was again voted among the top ten major-company employers in Poland in an employee-satisfaction survey carried out by the Polish subsidiary of Hewitt Associates, a leader in the Human Resources field.

### Systematic HR work with maximum outreach

We rely on systematic HR work to maintain the same high standards globally in the future and attract the right specialists for the right jobs within the Group. Munich Re, ERGO and MEAG job vacancies are advertised internally in the Group’s own job listings, and usually across brands and regions. Depending on the scope required and the target group, jobs may also be advertised on a number of global internet job portals. These activities are supported by international university networking, representation at international careers fairs, social media activities and extensive public relations work.



[munichre.com](#)

» Career

External links

» ERGO: Career

Downloads

» Trendence Institute graduate barometer (PDF)

Actions

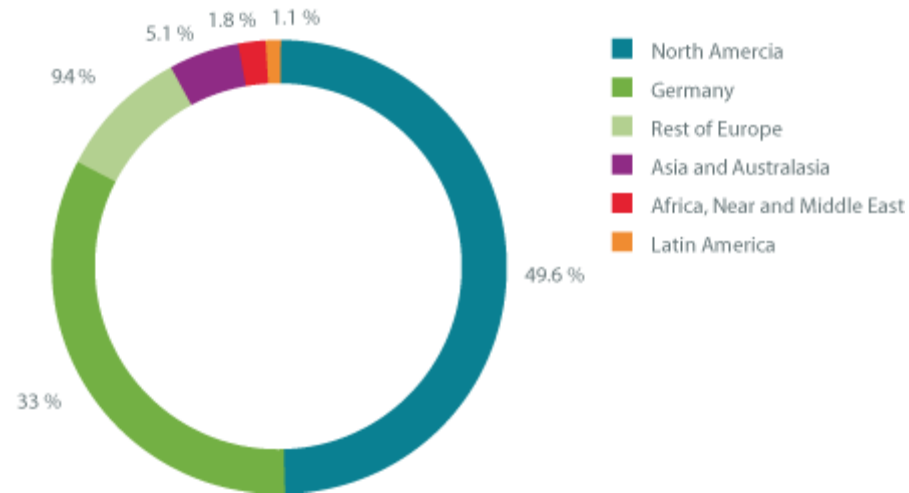
» EXPAND ALL

» COLLAPSE ALL

▼ [Staff by region \(reinsurance\)](#)

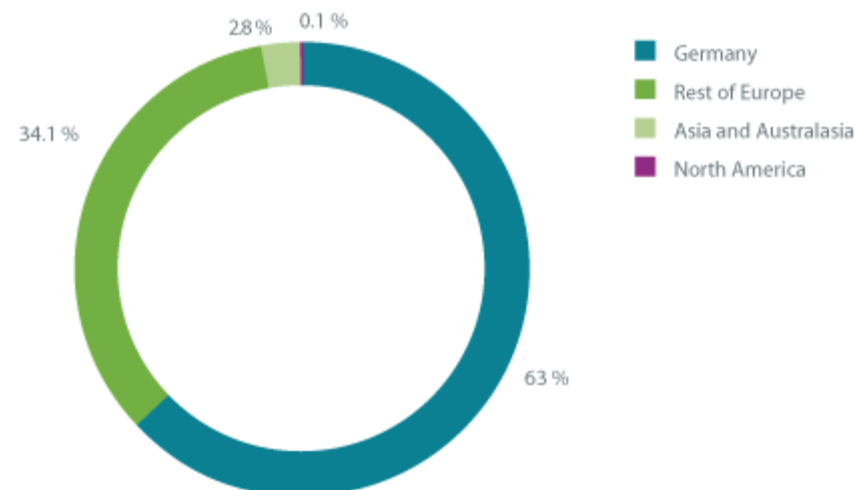


No. of staff by region (Reinsurance)  
As at 31 December 2011



▼ Staff by region (primary insurance)

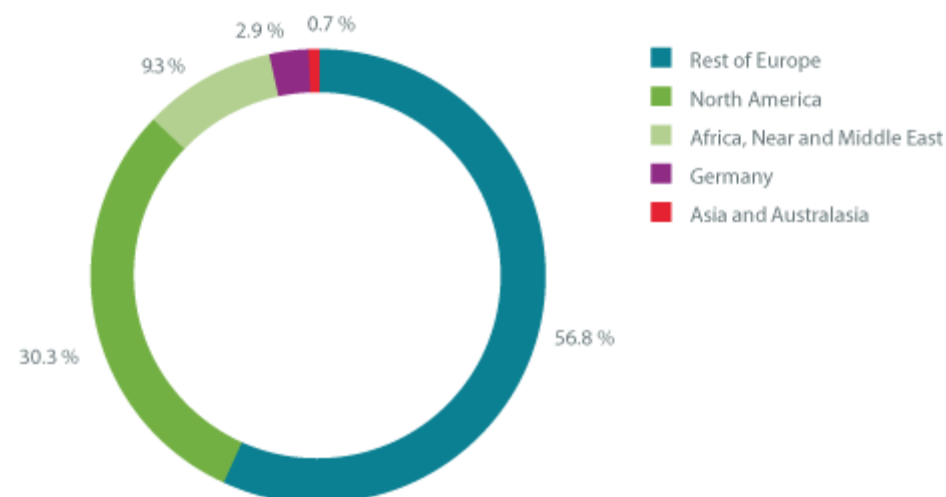
No. of staff by region (Primary Insurance)  
As at 31 December 2011



Most of ERGO's staff work in Europe, with staff growth rates increasing outside Germany.

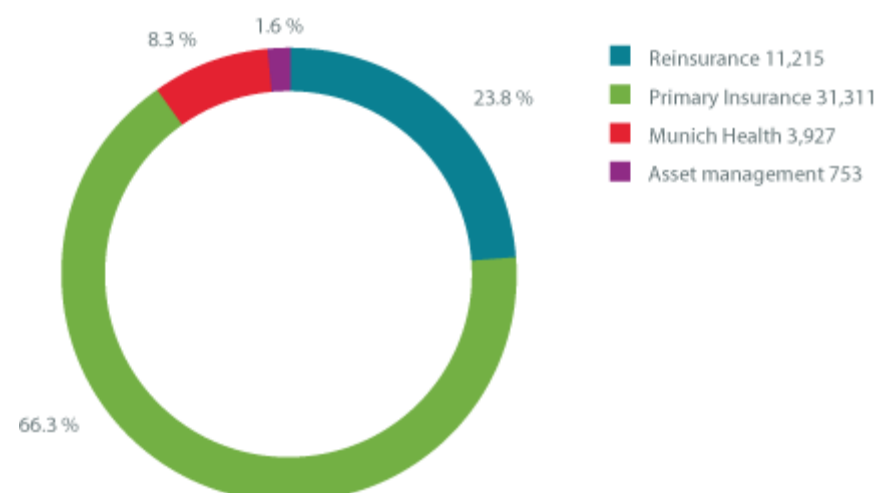
▼ Staff by region (Munich Health)

No. of staff by region (Munich Health)  
As at 31 December 2011



▼ Group staff by line of business

No. of staff (group) by line of business  
As at 31 December 2011



RESPONSIBILITY  
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Training and personal development – Our aim

Munich Re has a clear objective: to attract the best employees for the Group and to retain them in the long term. And so we are committed to a corporate culture that offers opportunities for personal development, encourages independence and rewards success and performance.

Munich Re (Group) offers extensive career opportunities. In the reinsurance field of business, for instance, an international talent management system provides for a host of opportunities. With talent management in all fields of business, we ensure that key functions are staffed with the best people to do the job. In the last three years, over 90% of the management positions at Munich Re asset manager MEAG have been filled in this way.

Training measures and career development

Munich Re advocates lifelong learning. We offer a wide range of training options in each of our business fields and at MEAG to promote key skills and specialist training in all fields of business. The FUEL 4 programme, for instance, prepares international top candidates for senior executive positions within the reinsurance group. User-friendly e-learning platforms, to which Munich Re staff have access worldwide irrespective of their working hours, offer an increasing number of target-oriented training opportunities.

Employee expectations have changed, and Munich Re has responded by introducing systematic personal development. An outstanding example in reinsurance is Emerge International, the management programme. It prepares young, upcoming management candidates with international potential for their first assignments abroad. ERGO has its own Management Development Unit, where senior executives are prepared for promotion to the next level. MEAG's "Young Manager" programme helps young managers master the new challenges facing them during their first year in this role.

Combining work and studies

At its Munich headquarters, Munich Re offers its reinsurance staff practical ways of combining studies and career, the "Executive Master of Science in Insurance" course being one of many examples. This in-service degree course is run in conjunction with the Munich School of Management (Ludwig Maximilian University). Another example is the Munich Model, a combined professional training and insurance degree course. MEAG and ERGO also encourage staff to enrol for in-service study courses by meeting a portion of the costs and granting study leave. For instance, MEAG staff can enrol for a three-year Chartered Financial Analyst (CFA) course or a degree course in Real Estate Economics. ERGO and renowned academic institutions like the University of Leipzig and the German Insurance Academy offer courses such as the Bachelor of Insurance Practice and an Insurance MBA.

Support through graduate trainee programme

Munich Re (reinsurance) develops talent systematically by providing targeted apprenticeships and attractive student and graduate trainee programmes. For instance, our reinsurance graduate trainee programme, comprising professional and personal development modules, offers an all-round career start. The ERGO Group also operates an international graduate trainee programme that provides a pool of highly qualified staff.



[munichre.com](#)

» Career

External links

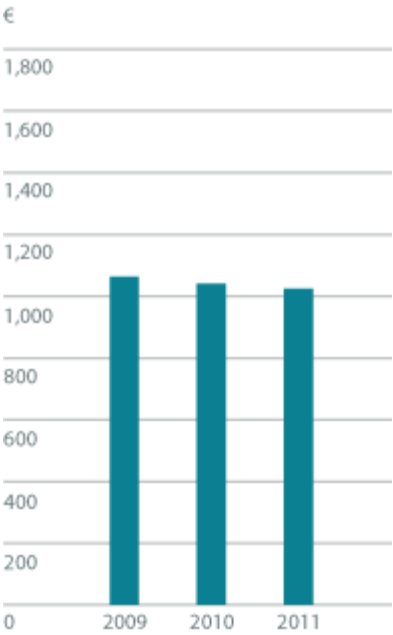
- » ERGO: Career
- » Sustainable HR policies at ERGO

Actions

- » EXPAND ALL
- » COLLAPSE ALL

Expenses for advanced training

Munich Re (Group) training expenditure  
Training costs per staff member (€)



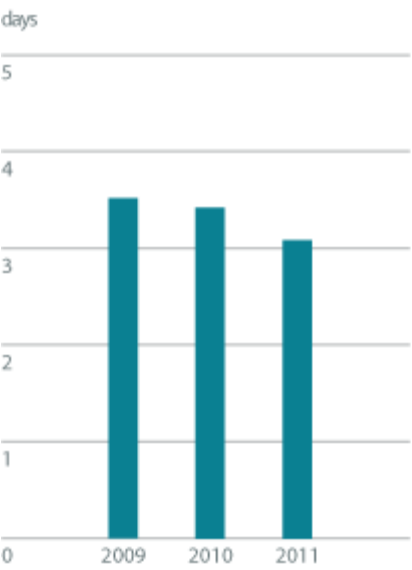
Data relate to staff in Germany and Munich Re's main offices in North America (proportion of the workforce covered: 62%).

Investments in training declined slightly in 2011 because the fields of business conducted more cost-effective training, i.e. events designed for large numbers of participants and

measures that involved no external support.

▼ Number of days' training per staff member

Munich Re (Group) training  
No. of days' training per staff member



Data relate to staff in Germany and Munich Re's main offices in North America (proportion of the workforce covered in 2011: 62%).

MUNICH RE >	STRATEGY AND CHALLENGES	MANAGEMENT	SOLUTIONS	COMMITMENT	FACTS AND FIGURES	
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## Fair and performance-related remuneration

In the long term, we can only maintain and enhance the high quality of our work if our employees are satisfied, and so we offer our staff first-class conditions. These include fair, performance-related remuneration that treats everyone equally in terms of opportunities and recognition.

Our pay structure is designed to foster the success of each individual and of the Group as a whole. Our internal remuneration systems have to be fair, transparent and adaptable for, in addition to other factors in our HR policy, they are designed to motivate staff and bind them to us.

### Sharing corporate success

Consequently, our revised reinsurance human resources programme includes flexible remuneration structures that give greater weight than before to the individual employee's personal performance and our financial success. Our remuneration models and incentive systems are linked to agreed objectives, based on the function involved, and take financial results into account. They are made up of two components: in addition to a sound basic salary, employees are paid a variable component geared to their own personal performance and the success achieved by the workforce as a whole. Performance-related remuneration is thus based on individually agreed objectives and performance-assessment interviews. Constant revision and updating of our all-round remuneration system is also a key factor in successful value-based management.

At our offices in Munich, the Company Result Bonus (CoRe) has been introduced as an annual remuneration component for reinsurance employees. This allows all employees to share in the company's success and ensures that good overall performance is reflected in salary.

### Setting a good example

A modern, successful company must take the needs and values of its staff into account and align them with its corporate objectives. At Munich Re (reinsurance), ERGO and MEAG, additional benefits are a long-standing tradition and we attach great importance to them. They are part and parcel of our overall remuneration concept and mirror our corporate culture. The attractive package we offer includes membership of our company pension scheme, one of the key pillars of retirement provision. Munich Re and ERGO are also members of the German insurance employers' association and have signed the respective collective bargaining agreements.

Munich Re's basic value-oriented approach includes providing adequate remuneration for students and graduates and offering them the best opportunities for making a successful start to their career. That is why Munich Re has joined the Fair Company initiative, committed to providing fair internships and offering real opportunities for graduates.



### External links

- » [Remuneration & benefits at ERGO](#)
- » [Fair Company \(German version\)](#)



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- TRAINING AND PERSONAL DEVELOPMENT
- FAIR AND PERFORMANCE-RELATED REMUNERATION
- WORK-LIFE BALANCE
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### Combining career and family

Finding the right work-life balance, with or without family, is important to success. We create conditions that are among the most attractive in our business environment. Munich Re offers its staff flexible working conditions, interesting working-hour models and needs-oriented support.

More and more employees are seeking to start a family without having to give up their careers. Others have to care for family members. Flexible working-hour models, special conditions and regulations accommodate staff and their different needs.

**Uniform rules thanks to the Family and Career internal company agreement**  
Since 2002, the measures set out in Munich Re's internal agreement on family and career have made it easier for reinsurance staff to reconcile their personal and career aspirations. In this agreement, we undertake to assist staff with primary childraising responsibilities and give them preference when it comes to granting part-time contracts. The agreement also sets out conditions covering special payments and childcare allowances.

**Better support for parents needing childcare facilities**  
By enlisting service providers such as pme Familienservice, we help staff find the best childcare, if necessary in external facilities. Alternatively, we pay a childcare allowance of up to €400. Reserved places in childcare centres help female staff in particular return to qualified positions. Competent contact persons are available to give staff information on the different ways of achieving an optimum balance between career and family. Employees in Munich can obtain additional support from the Staff Council committee on equal opportunities, family and career.



#### External links

- » [Work&family life at ERGO](#)
- » [pme Familienservice \(German version\)](#)

#### Downloads

- » [ERGO-Flyer: Beruf und Familie im Einklang \(PDF, 431 KB, available only in German\)](#)

#### Actions

- » [EXPAND ALL](#)
- » [COLLAPSE ALL](#)



“Combining career and family poses a major challenge to both parties – the employee and the company. This challenge can be overcome with commitment and consistency, on both sides.”

Dr. Katja Bucher, Head of Group HR

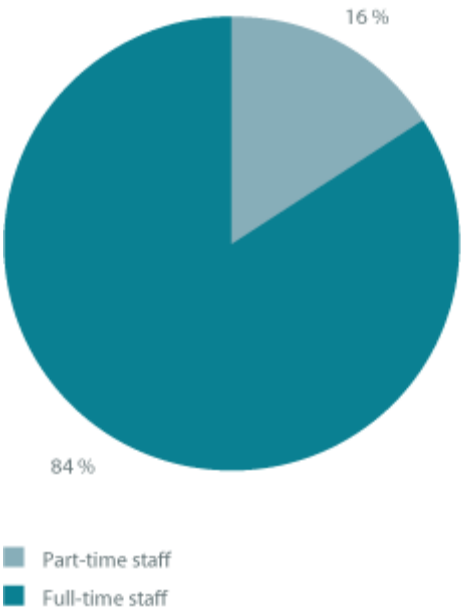
**Facilitating the return to work**  
Munich Re makes every effort to encourage its female staff to return to work following maternity leave. To ensure that young mothers do not lose touch with their employer, ERGO has established a parents' network. In addition, parents are offered the opportunity under certain circumstances to work from home or convert special payments into leave. And if parents at the Munich site occasionally need to look after their offspring during working hours, special offices are available with play and nap corners for the little ones.

**ERGO makes a strong case for families**  
ERGO cuts a good figure with its family-friendly human resources policy and has won the "audit berufundfamilie®" (family and career audit) for all its main German administrative centres, a certificate awarded by the non-profit Hertie Foundation for outstanding efforts in this area.

The primary insurer also sets standards in terms of care for relatives. Qualifying staff can take up to twelve months' leave on half pay, (payable during their absence and in the subsequent "active phase"). They also have the option of converting special payments such as holiday pay and the Christmas bonus into an additional maximum 42 days' leave. In addition, external social service providers offer pragmatic and efficient assistance.

▼ [Munich Re \(Group\) staff by type of employment](#)

Munich Re (Group) staff by type of employment  
Part-time and full-time employees  
as at 31 December 2011



The data relate primarily to Germany and Munich Re's main office sites in North America – on average, these figures cover 67% of Munich Re's total workforce.

We regard giving our employees the freedom to determine their own working hours as an investment in the future. In 2011, over 16% of Munich Re employees worked part-time.

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## Health promotion – Programmes and measures

The well-being of our staff is a matter of priority. Munich Re is therefore actively and firmly committed to promoting their health. For instance, as well as medical care, sport and relaxation programmes, we also offer personal measures to help staff return to working life after a prolonged absence.

Health promotion and disease prevention programmes are part and parcel of our offer to staff. The scope of the programmes we provide is considerably greater than that required by law. They also include competent advice and an array of support measures in the event of illness. Stress management is a subject that is fast coming to the fore.

### Active healthcare promotion

Munich Re also scrupulously and effectively complies with the occupational safety requirements imposed by law. We give staff information on ergonomically correct posture for sitting at their desk, tips on effective relaxation techniques and advice on further preventive measures. At several Munich Re office sites, company medical officers provide staff and their families with personal advice or remind them of vaccinations due. The company medical centre in Munich offers information on fitness and gymnastics courses in sports rooms at the Munich site.

Munich Re promotes the physical and mental well-being of its staff both on and off the job. Employees can choose from a variety of options. Company gyms, swimming pools and sports halls as well as the back-care centre in Düsseldorf provide a wide range of activities. ERGO offers one of the most extensive company sports programmes in Germany under the name ERGO Sports. International tournaments and staff competitions are regularly organised in many of these disciplines.



### External links

» [Occupational health&safety at ERGO](#)

### Actions

» [EXPAND ALL](#)  
» [COLLAPSE ALL](#)



“I have been attending ERGO's back classes for a year now, and the results are measurable. I have more strength, and I feel stronger, too. It's also a welcome change from my office job.”

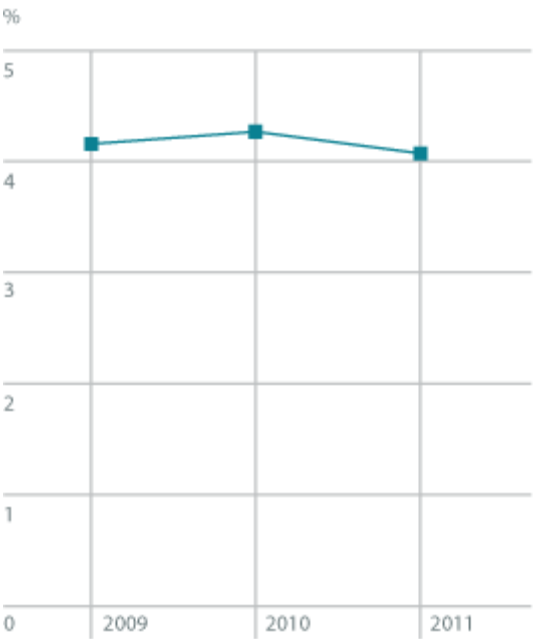
Christiane Wöllner, ERGO

### Professional social counselling

We attach great importance not only to the physical health but also to the emotional well-being of our staff. Munich Re therefore offers social counselling at various office sites in Germany to help staff deal with difficulties at work or at home. Work-Life Services at our Munich head office, for instance, arranges mediation in the event of workplace conflicts. To prevent stress-related and mental disorders among staff, enhanced healthcare promotion programmes also include mandatory workshops for new managers.

### ▼ [Munich Re Group sick leave statistics](#)

Sick Leave Munich Re (Group)



The data relate primarily to Germany and Munich Re's main office sites in North America –

on average, these figures cover 62% of Munich Re's total workforce.

Sick-leave levels at Munich Re were consistently low throughout the years from 2009 to 2011, with the level of absenteeism in 2011 totalling 4.1%.

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## Diversity is our strength

The different backgrounds, cultures, mindsets and values of our staff are four of Munich Re’s key success factors, because people from different backgrounds contribute an equally varied range of individual skills and strengths. Our diversity management is geared to promoting this heterogeneity and effectively helps us achieve our Group objectives.

Active diversity is a business imperative. It assists us in achieving our strategic goals. The establishment of universally valid principles and implementation of our first measures reflects our conviction that diversity is crucial to Munich Re's success. And we intend to actively promote it. After all, each individual's personal strength and experience have their part to play in Munich Re's performance.

### Diversity policy – Global management, local solutions

In June 2011, Munich Re launched a Group-wide diversity policy, thus creating the framework for actively promoting diversity and embedding it even more firmly in our Group. The new guideline sets out our definition of diversity, the most important principles for promoting diversity within the Group, and our global commitment to embracing diversity as a strength and investing in it. It also defines the focal points of our action: gender, age and internationality.

### Diversity management – Our next objectives

As regards gender, the HR board members of the DAX 30 companies issued a joint statement in April 2011 relating to the promotion of women in management. As part of this commitment, Munich Re undertook to achieve a quota of women in leading positions in Germany of at least 25% by the end of 2020. At the end of 2011, the figure stood at 20.5%. Taking into account the low staff turnover rate and managers' average age, this is a demanding goal.

Other important topics besides gender are age and internationality. Regarding the aspect of age, we focus on the step-by-step expansion of health promotion programmes and lifelong learning programmes. With our flexible work models, we aim to fully engage employees of all ages throughout all stages of their career. And under the motto internationality, we take account of increasing globalisation by intensively expanding the options available to our employees for gathering international experience and skills worldwide.

This is implemented for each field of business; at ERGO, for instance, diversity has been one of several core projects since 2011. Here, the long-term goal is to take into account as many viewpoints as possible and establish a diversity management structure which will make the best use of our strengths in social diversity.



### Downloads

» Diversity Policy: Global steering – Local solutions (PDF, 410 KB)

### External links

» Diversity at ERGO

### Actions

» EXPAND ALL

» COLLAPSE ALL



“The promotion of diversity at a group like Munich Re is not an end in itself but is geared to the changes in social environment, our stakeholders' demands and the development of our markets. Diversity is geared to value creation. And we want to make this visible.”

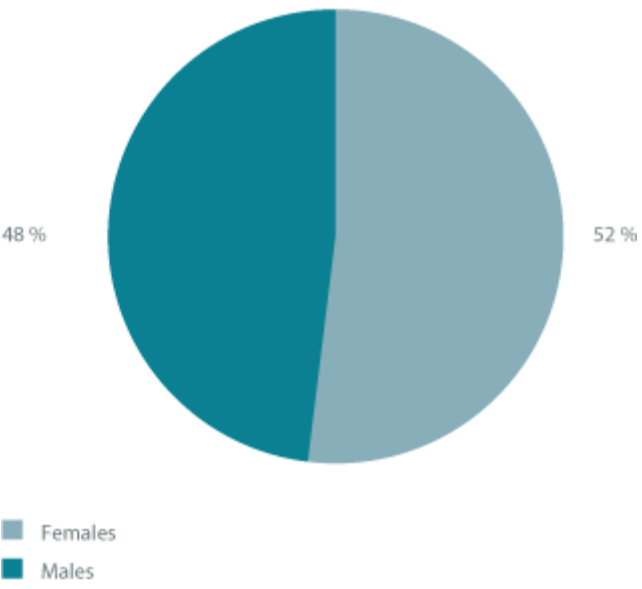
Martin Thumm, Group HR Manager, Munich Re

### Equal treatment of persons with disabilities

Equal treatment of persons with disabilities is also of special concern to us. Munich Re (reinsurance) in Munich has worked with integration establishments for many years. In July 2008, ERGO undertook to give greater consideration to persons with disabilities in its staff recruitment. And ERGO also invests in various training and health programmes for people with disabilities. DKV Seguros and ERGO Hestia in Poland for example employ people with physical disabilities in their call centres. The Polish subsidiary has set up a foundation specifically for this purpose.

▼ [Munich Re \(Group\) staff by gender](#)

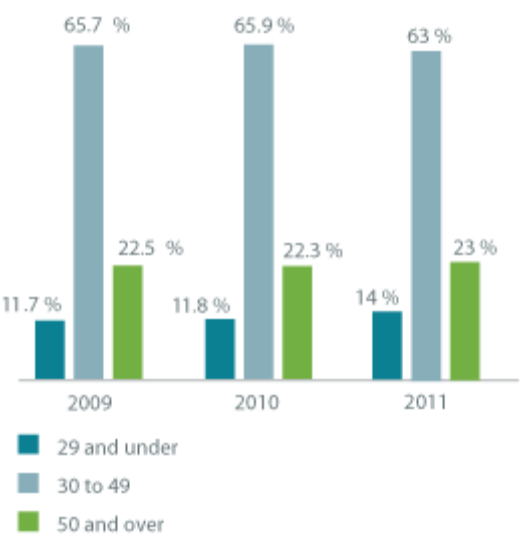
Munich Re (Group) staff by gender  
As at 31 December 2011



These figures cover more than 90 % of Munich Re's (group) total workforce.

▼ Munich Re staff by age

No. of staff by age Munich Re (Group)



The data relate primarily to Germany and Munich Re's main office sites in North America – on average, these figures cover 62% of Munich Re's total workforce.



## Conserving natural resources

Our commitment to protect the natural environment plays a key part in our corporate responsibility strategy. After all, the financial success of a group like Munich Re is inseparably linked with protecting people, the environment, and property.

Taking preventive measures, increasing public awareness and promoting eco-friendly technologies are the three main pillars of Munich Re's ecological commitment. We also give special priority to the protection of natural resources at our own office sites through our environmental management. This forms the basis of climate-protection measures designed to ensure that all our business processes are [» carbon neutral](#) by 2015.

### Environmental management – Setting standards

We take a systematic approach to environmental protection. Environmental management systems are already in place at several of our office sites, and we plan to introduce a Group-wide environmental management network. [» more](#)

### Operational ecology – Conserving resources

At Munich Re, we aim to consume as few natural resources as possible and use eco-friendly materials like recycled paper to minimise our impact on the environment. [» more](#)

### Climate protection – Leading by example

Our objective is to increase the sense of responsibility for climate change among politicians and the general public – using our entire insurance expertise. As a Group, we are leading by example: by 2015, business operations throughout our Group will be carbon-neutral, a step that our reinsurance arm is set to have accomplished by 2012. [» more](#)

### Environmental undertakings – Global commitment

Munich Re plays an effective and documented role in environmental protection. Our operations are governed by strict principles, and we have entered into national and international commitments. [» more](#)

Related topics

- [» Facts and figures: Environmental indicators](#)
- [» Solutions](#)

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» [Home](#) » [Management](#) » [Our environmental awareness](#)

## OUR ENVIRONMENTAL AWARENESS



### ENVIRONMENTAL MANAGEMENT

### OPERATIONAL ECOLOGY

### CLIMATE PROTECTION

### ENVIRONMENTAL COMMITMENT

## Environmental management – Setting standards

We take a systematic approach to environmental protection. Environmental management systems are already in place at several of our office sites, and we are planning to introduce a Group-wide environmental management network.

At Munich Re, we want to keep the environmental pollution caused by our business operations to a minimum. That is why we are reducing our consumption of paper, water and energy and cutting our travel, waste and energy emissions in accordance with the highest technical standards wherever economically feasible.

### Munich Re introduces Group-wide environmental management system

Environmental management systems register the effects of our operations on the environment in a systematic manner and help us restrict these effects as far as possible. After several member companies of the Group had implemented environmental management systems at various locations, the stage was set in 2011 for a uniform, coordinated Group-wide system. As a Group, we aim to be certified to environmental management standard ISO 14001: over 30% of our staff already work at certified office sites, and this trend is rising. DKV Seguros in Spain is a showcase example of this. Having completed its ISO certification in 2009, it continuously and innovatively optimises its comprehensive environmental management system to the appreciation of the stakeholders.

With a view to introducing the Group-wide environmental management system, processes and responsibilities were defined at Group and regional level in 2011. As of Q2 2012, a binding carbon-reduction plan including specific projects and their monitoring throughout the Group outlines how we intend to achieve the targets we have set for emissions per employee.

Besides this, we have codes of conduct and communication measures to encourage our staff to take into account the effects their actions and decisions have on the environment. We are continuously extending the proportion of employees for whom data is captured in order to measure our environmental footprint: In 2011, roughly 85% of our workforce at 31 locations was already covered by the environmental management system. Nevertheless, complete data records are not available for all our locations, meaning that the data covers a low proportion of employees. Further developments are planned to increase the quality of the data.

### Leading the field in primary insurance: ERGO

The scope of the environmental management system operated by Victoria, now ERGO, from 1998 was audited in 2011. The certifications at the locations Düsseldorf, Berlin, Leipzig and Mannheim were again confirmed. In November 2011, an external certification audit was successfully carried out at the Cologne location. ITERGO, ERGO's internal IT service provider, has now also been certified.



“Our efforts range from modernising our office technology to sharing environmental tips with our employees.”

Dr. Ulf Mainzer, ERGO's Board member for Human Resources and General Services, as well as for environmental matters.

DAS UK also operates an environmental management system. Its Bristol head office was certified to ISO 14001 already in 2003, making it the first to earn this accolade – a distinction all its office sites in the UK and Irish Republic now share.

### Environmental management anchored in our organisational set-up

At Munich Re, the full Board of Management, represented by Chairman Dr. Nikolaus von Bomhard, is responsible for our environmental protection strategy and measures. It is assisted in this task by Dr. Astrid Zwick, Head of Corporate Responsibility at Munich Re, in her function as Environmental Officer. Dr. Ulf Mainzer, who is in charge of environmental matters on ERGO's Board of Management, is supported by the independent employment, health and environmental protection unit set up in 2009 and responsible for developing the environmental management system.

### Downloads

- » [Environmental guidelines of Munich Re \(reinsurance\) \(PDF, 15 KB, German version\)](#)
- » [Environmental guidelines of ERGO \(PDF, 54 KB\)](#)
- » [Environmental guidelines of DAS UK \(PDF, 104 KB\)](#)

### External links

- » [Environmental Management at ERGO](#)



OUR ENVIRONMENTAL AWARENESS



ENVIRONMENTAL MANAGEMENT

OPERATIONAL ECOLOGY

CLIMATE PROTECTION

ENVIRONMENTAL COMMITMENT

Operational ecology – Conserving resources and environment

At Munich Re, we aim to consume as few natural resources as possible and use eco-friendly materials like recycled paper to minimise our impact on the environment.

Our Group companies aim to manage resources efficiently and sparingly. Munich Re (reinsurance) and ERGO give priority to reducing paper, water and energy as well as quantities of waste and decreasing emissions resulting from business travel.

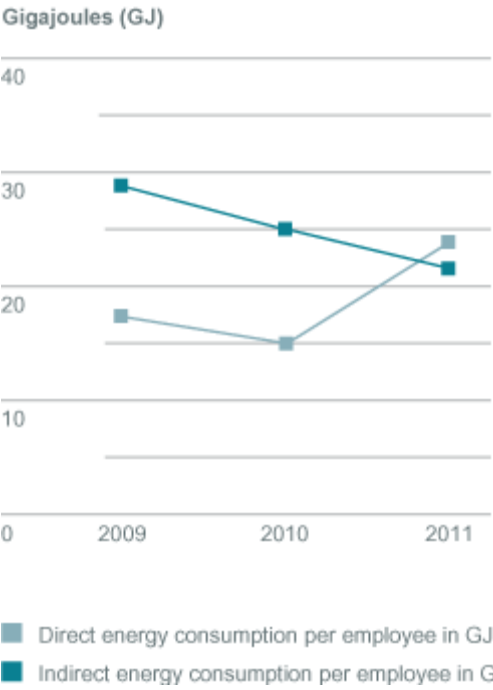
The following table provides information on our current consumption of resources.

Indicator	2011	2010	2009
Direct energy consumption per employee in GJ*	24	15	17
Indirect energy consumption per employee in GJ*	22	25	29
Paper consumption per employee in tonnes	0.04	0.04	0.05
Water consumption per employee in m³	19	18	19
Waste per employee in tonnes	0.25	0.29	0.33
Business travel per employee in km	7,623	7,331	7,097

\*GJ: Gigajoules

Direct and indirect energy consumption per employee

Direct and indirect energy consumption per employee in gigajoules (GJ)



The slight increase in total energy consumption is due to improved data quality and the higher data capture rate, up from 57% to 87%. The rise in direct energy consumption and the fall in indirect energy consumption were partly the result of taking a highly efficient block-type cogeneration thermal power plant into operation. This thermal power plant covers around 50% of the energy requirements at our Düsseldorf site.

Paper consumption per employee

Downloads

- » Environmental guidelines of Munich Re (reinsurance) (PDF, 15 KB, German version)
- » Environmental guidelines of ERGO (PDF, 54 KB)
- » Environmental guidelines of DAS UK (PDF, 104 KB)

External links

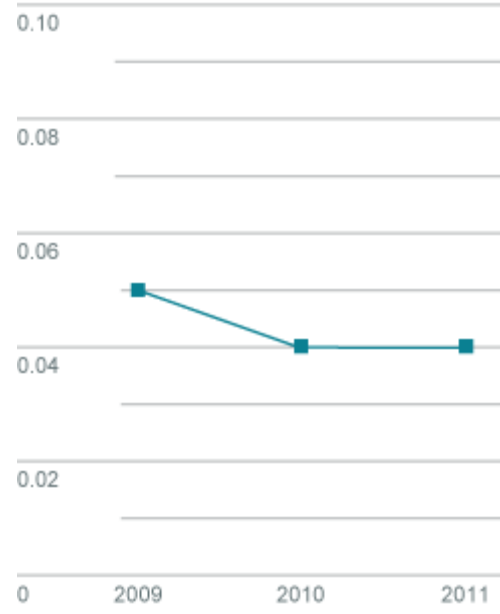
- » Protecting resources at ERGO

Actions

- » EXPAND ALL
- » COLLAPSE ALL

Paper consumption per employee

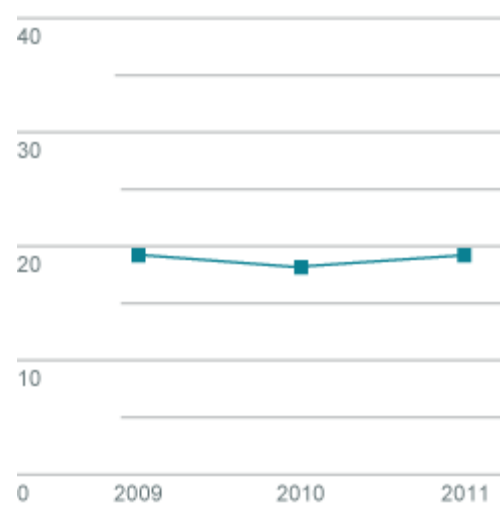
tonnes (t)



▼ Water consumption per employee

Water consumption per employee

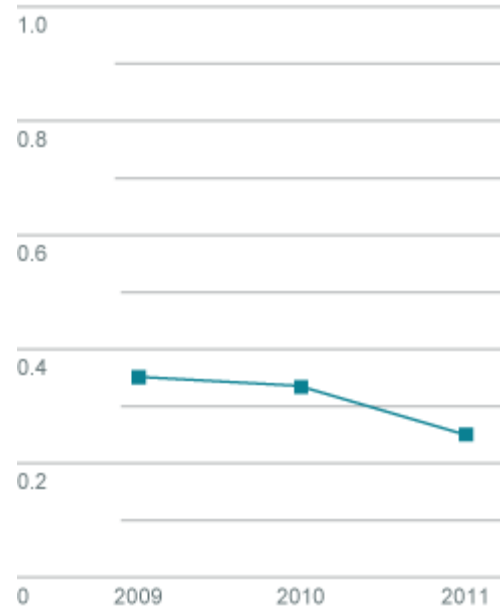
Cubic metres (m<sup>3</sup>)



▼ Waste per employee

Waste per employee

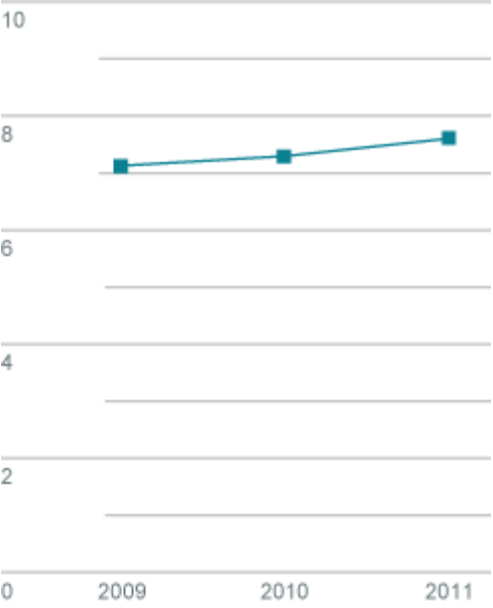
tonnes (t)



▼ Business trips per employee

Business trips per employee

Kilometers (km) in thousands



Despite our efforts to reduce the number of business trips, the graph shows a slight increase. This is solely due to the expansion of data capture from 57% to 87% of all staff and to improved data quality.

OUR ENVIRONMENTAL AWARENESS

- ENVIRONMENTAL MANAGEMENT
- OPERATIONAL ECOLOGY
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Climate protection – Leading by example

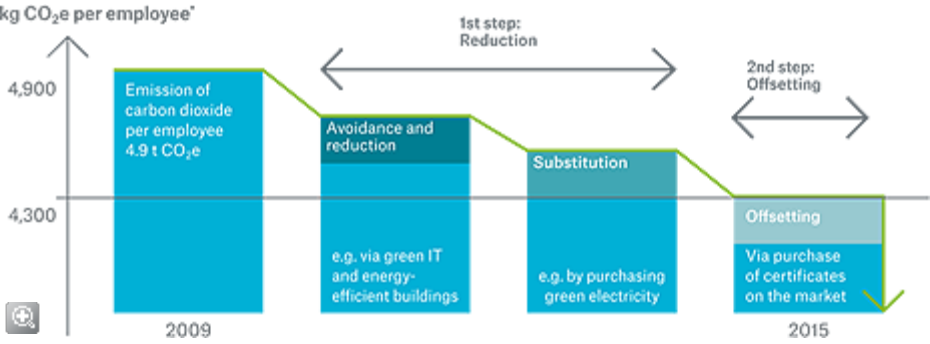
Our objective is to increase the awareness of climate change among politicians and the general public – using all our insurance expertise. Munich Re is leading by example to make business operations throughout our Group » carbon-neutral by 2015. This is a step that our reinsurance arm will have accomplished by 2012.

As insurers, we see the effects of climate change at first hand. After all, weather-related natural catastrophe losses are among the things we insure. That is why our in-house environmental protection focuses on reducing our own greenhouse gas emissions. To achieve this objective, we adopted a Group-wide carbon-neutral strategy in March 2011.

Two-stage concept: Reducing and compensating for emissions

To gradually neutralise carbon dioxide emissions per staff member from a current 4.9 t annually by 2015, Munich Re (Group) decided in 2011 to pool its efforts and adopt a uniform approach. The aim of our carbon-neutral strategy is to achieve » carbon neutrality in the overall Group in a two-stage process by 2015. During the first stage, emissions will be lowered Group-wide by at least 10% to less than 4.3 t per staff member. During the second stage, the remaining emissions will be offset through the purchase of » emission allowances.

Strategy for CO<sub>2</sub> neutrality



Greenhouse gas emissions at the Munich site in 2011

	2011	2010	2009
Emission <sup>1</sup> before measures in t CO <sub>2</sub> e	18,579	19,366	19,446
Measures in t CO <sub>2</sub> e			
Carbon free electricity	9,936	10,423	10,675
Compensation (by way of emission allowances)	8,643	8,943	8,771
Residual emissions in t CO <sub>2</sub> e	0	0	0
Degree of carbon neutrality	100%	100%	100%
Reduction per employee (compared with base year 2009)	-6.8%	-3.5%	0%

<sup>1</sup> Emission sources: Direct emissions from primary power consumption "Scope 1" (natural gas, fuel oil, diesel for emergency generators, coal, propellant for company vehicles), indirect emissions from power supplied by third parties "Scope 2" (purchase of electricity and district heating), other indirect emissions "Scope 3" (business trips, paper and water consumption, waste – emissions from products and investments). Since 2011, we have been using the Corporate Value Chain Accounting & Reporting Standard of the Greenhouse Gas Protocol (GHG). The figures for 2010 and 2009 were adjusted to the standard with retroactive effect and therefore do not correspond to the figures reported in previous years.

Carbon neutrality step by step

The environmental indicators (energy consumption, water, paper, waste and travel) are recorded and converted to CO<sub>2</sub> emissions on the basis of our worldwide » environmental management system, which we are continuously expanding. The framework and parameters for reporting key figures have been established for the Group. Data collection at the Munich site serves as a basis for all units entered in the environmental management system.

All Group units independently implement their CO<sub>2</sub> reduction measures in accordance with the options specifically available to them. Not only do we sensitise our staff to the issue, we also focus on highly effective measures, including the organisation of video and telephone conferences in order to reduce business-travel-related emissions and energy consumption. We also provide and use electric vehicles at the locations of DKV Seguros in Spain, whose activities have been carbon-neutral since 2007.

Image gallery



» Green building – Outstanding examples

External links

» Carbon neutrality at ERGO

Related topics

» Challenges: Climate change



To reach our goal of decreasing carbon emissions by 10% during the reduction phase, we are also aiming to purchase more electricity from renewable energy sources at other business locations. Thanks to the use of green electricity, Munich Re (Group) has already achieved its reduction targets. Nevertheless, we consider it important not only to use green electricity but also to consistently implement measures to reduce the consumption of energy.

#### **Data collection to be improved**

The continual involvement of further ERGO International units has led to the establishment of a system of data collection in these units and improved data quality and coverage. There will thus be changes in our environmental performance during the build-up phase. A positive feature is that 87% of staff at Munich Re (Group) are already covered by the environmental management system.

#### **Munich location carbon neutral since 2009**

The Munich Re headquarters achieved climate neutrality in 2009. To this end, we reduced the greenhouse gas emissions arising in our operations to the lowest possible level. In 2010, we were able to reduce emissions per employee by an average 60% compared with the previous year, thanks to the use of green energy sources. Unavoidable greenhouse gas emissions (such as those associated with air travel) have been "neutralised" by the purchase of emission allowances. In total, this means that 25% of the Group is already carbon-neutral.

#### **Green building – Real estate with certified sustainability**

Early on, MEAG recognised the opportunities of sustainability for real estate investors and users. The investment portfolio of our asset manager thus contains around €500m in property that has received awards for sustainability. The EU GreenBuilding Award was given to commercial real estate at home and abroad. In 2011, MEAG was awarded the gold medal for domestic project development by the German Sustainable Building Council. The comprehensive sustainability approach is also embedded in our real estate management. It combines economic, ecological and socio-cultural aspects. The approach focuses on modern and efficient plant engineering and award-winning energy management.

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# OUR ENVIRONMENTAL AWARENESS



- ENVIRONMENTAL MANAGEMENT
- OPERATIONAL ECOLOGY
- CLIMATE PROTECTION
- ENVIRONMENTAL COMMITMENT

## Environmental commitments – Global engagement

Munich Re plays an effective and demonstrable role in environmental protection. Our operations are governed by strict principles, and we have entered into corresponding national and international commitments.

Munich Re has been a party to national and international environmental and climate-protection agreements for many years. Our efforts in this respect go well beyond what is required of us by law.

### Voluntary commitments: PRI and Global Compact

On 26 April 2006, we became the first German company to sign the United Nations (UN) » [Principles for Responsible Investment \(PRI\)](#), which contain principles and recommendations for institutional investors that include ecological aspects. MEAG, our asset-management arm, is responsible for their application throughout Munich Re.

We are also fulfilling our commitment to actively assume our environmental responsibility by subscribing to the UN's » [Global Compact](#). Our environmental guidelines set out these commitments.

### Combating climate change with the Climate Group and UNEP FI

Munich Re's involvement in the Finance Initiative of the United Nations Environment Programme (UNEP FI) goes back to 1999. We are also a signatory to the June 2007 UNEP FI joint declaration on climate change, which calls for cuts in greenhouse gas emissions and includes a commitment to sustainable management.

Munich Re is also a member of the UN's Global Climate Forum. This scientific initiative supports global climate research and serves as a dialogue-promoting platform for all key interest groups. Members include groups like Munich Re, scientific institutions and non-governmental organisations. Until January 2012, the association was known as the European Climate Forum, but it has in the meantime expanded its network worldwide.

### PSI – Promoting sustainability in the insurance sector

Munich Re is a co-founder and member of UNEP FI's global » [Principles for Sustainable Insurance \(PSI\)](#) initiative, which has around 20 insurance-company members in all. The four principles were signed by Munich Re at the Rio+20 summit in June 2012. They focus on ESG (environmental social governance) issues and their implementation in the core business of insurance companies. They relate to the entire insurance value chain – risk management, risk underwriting, product and service development, claims management, distribution and management – and they anchor corporate responsibility in the insurance sector.

### Selection of our environmental and climate-change memberships:



### External links

- » [Principles for Sustainable Insurance \(PSI\)](#)
- » [UN: Principles for Responsible Investment \(PRI\)](#)

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## SOLUTIONS

### Bringing corporate responsibility to life

Corporate responsibility is reflected in Munich Re's products and services, which bring us financial success and are in keeping with the needs of the environment and society. We offer tailored solutions and services that give our clients the assurance they need in the face of global issues like climate change impacts.

The factor common to corporate responsibility and insurance is that at the heart of both lies a promise for the future. The concept underlying insurance is the fulfilment of contractual obligations, some of which may last for several years so that, as a global risk carrier, we are very much aware that a prospective, prudent and responsible approach is crucial to our success.

Munich Re's products and services across the board reflect our responsibility as insurers. Many of our insurance solutions have a clear emphasis on corporate responsibility. Selected policies, services and models can be found in the "Solutions" section and are categorised by field of business. What they all have in common is that they bring corporate responsibility to life.

#### Strategic approach



Munich Re develops responsible business solutions with the Principles for Sustainable Insurance (PSI) firmly in mind. [» more](#)

#### Reinsurance



Munich Re drives profitable long-term growth and develops new, tailored products and solutions. [» more](#)

#### Primary insurance



With its insurance solutions, ERGO also takes social developments like growing environmental awareness into account. [» more](#)

#### Munich Health



Around 4,000 Munich Health staff at 26 locations worldwide offer clients and partners throughout the world optimal products and solutions. [» more](#)

#### Capital management



What sets MEAG apart is its years of experience, all-round know-how and sustainable investment management. [» more](#)

#### Related topics

[» Challenges](#)

#### External links

- [» munichre.com](#)
- [» ERGO](#)
- [» Munich Health](#)
- [» MEAG](#)



## Core business governed by responsible action

Ensuring that insurance business is conducted in a responsible manner is the goal of the initiative "Principles for Sustainable Insurance" (PSI), in the development of which Munich Re has been playing a major role. The internationally binding principles are intended to fulfil a hitherto unmet need and to help insurance companies systematically consider ESG (environmental, social, governance) issues in conducting their core business. Five approaches show how Munich Re is already combining insurance solutions with corporate responsibility.

Munich Re has been involved since 2007 in the commission of the United Nations Environment Programme Finance Initiative (UNEP FI) and has played an active part in drafting the "Principles for Sustainable Insurance" (PSI). The envisioned principles are to promote the responsible conduct of business along the entire insurance value chain. Munich Re assumed the chairmanship of the commission in September 2010. In June 2012, Munich Re and other companies officially signed the final version of the PSI at the Rio+20 UN Conference on Sustainable Development.

The Principles of Sustainable Insurance are on a par with the Principles for Responsible Investment (PRI), signed by Munich Re – the first German company and first insurer to do so – in 2006. Together with the PRI, the PSI are to form the framework for a holistic approach to sustainability in the insurance industry.

Munich Re and other companies, including insurers and financial services providers, are involved in the Climate Change Finance Forum: a key platform for the promotion of dialogue on research. On 1 December 2011, its members signed a memorandum at the international climate conference in Durban announcing their intent to increase their climate competence. The companies also encourage politicians to maintain their objective of establishing internationally binding regulations on carbon reduction.



“We cannot underestimate the influence of financial services and the potential impact of the world's most powerful private institutions on delivering a more intelligent management of the environment and its nature-based assets.”

Achim Steiner, Executive Director of the United Nations Environment Programme

Munich Re's holistic corporate responsibility concept defines the following five approaches:

▼ [Enabling people to realise opportunities](#)

Munich Re develops innovative coverages for new, multifaceted risks to enable our clients to invest in a responsible manner. For instance, thanks to a hitherto unique policy developed by Munich Re, manufacturers of photovoltaic cells can give a 25-year performance warranty on their products.

▼ [Facilitating the application of knowledge](#)

Modern integrated risk management also requires a detailed knowledge of geographical environment. Our clients benefit from the expertise we have developed over many years and from our comprehensive risk knowledge. Munich Re's NATHAN (Natural Hazards Assessment Network) Risk Suite optimises natural hazard risk assessment, from entire portfolios down to risks at individual location level – worldwide.

▼ [Consultancy with a long-term perspective](#)

Our global expertise also enables us to give clients all-round advice that helps them to deal with global challenges. For instance, in Abu Dhabi, Munich Health and state-owned DAMAN National Health Insurance have set up a » public-private partnership which advises insureds. The aim is to prevent diabetes, cardiovascular and other common diseases.

▼ [Investing responsibly](#)

Private and institutional investors are able to invest their money just as sustainably as Munich Re and ERGO, for instance with Munich Re asset manager MEAG's KlimaStrategie equities fund, which invests in companies whose business model aims to reduce greenhouse gas emissions and so to promote climate protection.

▼ [Knowledge Sharing](#)

Related topics

- » [Strategy: Guiding Concept and Mission](#)
- » [Strategy: Fields of action](#)
- » [Management: Principles for Responsible Investment](#)

External links

- » [Principles for Sustainable Insurance \(PSI\)](#)



Munich Re works with associations, NGOs, government representatives and scientists around the world to find solutions to global challenges. For instance, since 2008 Munich Re has partnered the London School of Economics and Political Science (LSE) in research aimed at quantifying the financial effects of climate change and creating a basis for making strategic decisions regarding the opportunities and risks facing the insurance industry.

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## Mastering global challenges

Since Munich Re was founded over 130 years ago, our goal has been to identify tomorrow’s risks and make the future insurable. We drive profitable, long-term growth and develop new, tailored products and solutions. This is very much appreciated by our clients, and Munich Re regularly receives reinsurance awards in Europe.

As reinsurers, we insure insurance companies, for example by assuming risks such as major man-made and natural-catastrophe losses. As well as conventional reinsurance cover, we also provide innovative insurance solutions and wide-ranging services, trendsetting » public-private partnerships and complex risk solutions. Our international and interdisciplinary approach produces ideas and concepts that make tomorrow’s world insurable.

### Insurance concepts for renewable energies for a low-carbon future

Munich Re believes that renewable energy has a key part to play in the transition to low-carbon energy. We provide visionary insurance solutions and expertise that promote the development and propagation of renewable energy sources. » more

### Desert power – A vision takes shape

Munich Re, the DESERTEC Foundation and more than 50 international partners have successfully combined forces in the Dii industry initiative, which has been set up to build solar power plants in the Sahara that will meet a substantial portion of Europe’s energy needs. » more

### NATHAN – Improving natural hazard assessments

Munich Re’s NATHAN Risk Suite offers unique information and consultancy services that make it easier to identify and assess extensive natural-hazard risks. Among the services offered are its World Map and Globe of Natural Hazards. » more

### Microinsurance – Safeguarding livelihoods in emerging countries

Munich Re helps combat poverty by offering microinsurance cover in developing and emerging countries. In many parts of the world, Munich Re is helping develop new solutions by entering into public-private partnerships with suitable stakeholders. » more

### SystemAgro – Writing agricultural risks

Munich Re offers a globally successful crop insurance system: SystemAgro helps farmers protect themselves from the consequences of climate change. Public-private partnerships facilitate close cooperation between farmers, the state and agricultural insurers. » more

[munichre.com](#)

» Reinsurance

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## Insurance concepts for renewable energies for a low-carbon future

Munich Re believes that renewable energy has a key part to play in the transition to low-carbon energy. We offer innovative insurance solutions that are geared to the risks of new technologies, thus promoting the development and propagation of renewable energy sources.

Wind, solar and geothermal energy are in unlimited supply. Future energy supply from these sources helps the climate but also brings with it enterprise risks and other new risks, because returns on the relevant investments are often subject to a special type of risk. Whether lack of wind, insufficient sunshine, or an unsuccessful geothermal drilling project – Munich Re can provide risk transfer solutions and programmes for many of these problems, thus facilitating investment in technologies for a low-carbon future. For our new coverage programmes give technology developers, operators and investors the necessary planning certainty and reliable parameters.

### Special cover for offshore facilities

The investment risks are particularly great in the case of offshore wind technology. It takes approximately three years before an offshore facility is operational. The construction phase alone can be problematical for all parties. With our many years of experience and ability to evaluate the latest research results, we can play a significant role worldwide in making such risks insurable.

### Solar cell warranty takes the strain off manufacturers’ balance sheets

Solar cell manufacturers generally give a performance guarantee that is considerably beyond what is required of them by law. Munich Re has devised a new cover that will meet existing guarantees even over a period of up to 25 years. We insure reductions in the output of photovoltaic modules below specified levels, thereby making it much easier to obtain funding for major solar energy projects and giving all stakeholders greater planning certainty.

### Promoting geothermal energy – Exploration risk insurance

Geothermal heat can now also be exploited thanks to modern technology: the extracted water at temperatures of more than 100°C can be used in commercial applications such as district heating systems and electricity generation. However, investors must take into account that, despite painstaking and costly preparatory work, the quantities of hot water found may be insufficient to make a geothermal power plant economically viable. In 2003, Munich Re became the first insurer to develop a policy covering the costs of unsuccessful geothermal drilling projects.

### Customised premium service: Task force for major projects

An investor and partner for innovative solutions and competent risk management, Munich Re is familiar with every conceivable risk. As a task force with competence acquired in major projects all over the world, we assist consortia in all stages of development and implementation. This benefits investors, owners, principals, suppliers and other contracting parties alike. With our individual, customised measures, we help contain risks and make projects an even more interesting prospect for potential new investors.

The experts at our subsidiary Hartford Steam Boiler Inspection and Insurance Company (HSB), for instance, have applied their specialist know-how in this segment to the development of a new solar and wind energy product programme, thus underscoring its leading international role as a hands-on specialist in the field of risk solutions for renewable energies.

### Related topics

- » Sustainable investments: RENT
- » Challenges: Climate change

### munichre.com

- » Focus topic Climate change

### External links

- » HSB solar energy webinar
- » HSB wind energy webinar

### Downloads

- » HSB Renewable Energy Solutions (PDF)

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## Desert power – A vision takes shape

Munich Re has combined forces with the DESERTEC Foundation and over 50 international partners in the Dii industry initiative, with the long-term aim of building solar and wind power plants in North Africa to supply the regional energy needs of the producer nations using renewable sources, and especially, from 2020 onwards, to meet a substantial share of Europe's electricity needs on the basis of carbon-free energy.

As the initiator of the Dii industry initiative, Munich Re is involved in one of the world's most ambitious renewable energy projects. Some 50 institutions and companies are currently working with the DESERTEC Foundation to realise a major vision: to supply large parts of Europe, the Middle East and North Africa with renewable energy from solar power plants sited in the Sahara. By 2050, some 15% of Europe's energy needs could also be covered on this basis.



**Solar energy from the desert**

The electricity is to be transmitted to Europe via a high-voltage direct-current power grid.

(Source: <http://www.dii-eumena.com/>)

### Backing climate protection and increasing development opportunities

The project can promote energy security in Europe, the Middle East and North Africa (» EUMENA). Secondly, through substantial investment, it will boost growth and development prospects in the producer states in the Middle East and North Africa (» MENA). Starting in 2012, initial reference projects are planned in Morocco, whence there is already a grid connection to Spain through the Straits of Gibraltar. The German Federal Government is participating in the funding of the first solar power plant in Quazarte in the south of the country, which is to start feeding electricity into the Moroccan and Spanish grids from 2016.



“With the desert power initiative we want to develop solutions that cover the needs of a growing population on a sustainable basis without coming into conflict with scarce resources and climate objectives.”

Ernst Rauch, Head of the Corporate Climate Centre, Climate & Renewables, and in charge of Munich Re's desert power activities

### Improving living standards, safeguarding core business

For instance, part of the energy obtained from renewable primary energy sources (solar/wind) could also be used to power seawater desalination plants. In this way, the project can do much to improve drinking water supplies in the region.

Munich Re's involvement in this » public-private partnership, which includes the Fraunhofer-Gesellschaft, the Max Planck Society and state-owned enterprises in the corresponding countries, is a prime example of our strategy of using our expertise and problem-solving skills to make the future insurable. At the same time, we are ensuring the long-term profitability of our business.

### University network as a future global platform

With its own university network, the DESERTEC Foundation promotes training programmes in renewable-energy technologies and scientific development opportunities in the EUMENA region. At present, 18 universities from six countries in North Africa and Europe are participating in the network.

The idea is that this network will give rise to a global platform in the long term, with global successor projects to the DESERTEC Initiative. Munich Re, as a partner of the DESERTEC Foundation, is very much involved in the network and would like to promote international dialogue in this particular field of research.

### Related topics

» Challenges: Climate change

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» Focus topic Climate Change - Power from the desert

### External links

» Dii GmbH  
» DESERTEC Foundation



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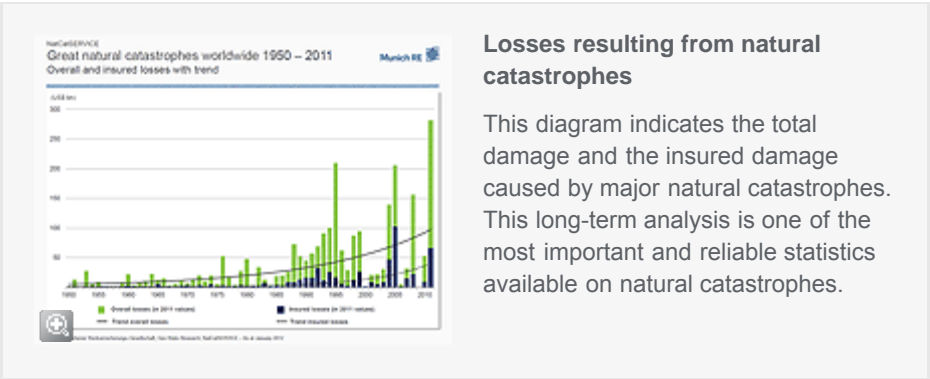
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NATHAN – Improving natural hazard assessments

In the NATHAN Risk Suite, Munich Re offers unique information and consultancy services that make it easier to identify and assess natural hazard risks that are distributed over large areas. Among the services offered are its World Map and Globe of Natural Hazards.

The frequency of earthquakes, windstorms and floods and the damage caused by them have been increasing significantly for decades. This trend poses a major challenge for governments, the corporate sector and thus for the insurance industry as risk carriers. Documenting and analysing natural catastrophes are important steps in preparing to cope with looming hazards and developing our ability to identify emerging trends at an early stage. Munich Re makes a major contribution to progress in this field.



Expert assessments and holistic risk management

Munich Re offers its clients the NATHAN ("Natural Hazards Assessment Network") Risk Suite. This service lets insurers and institutions determine precisely the exposure of specific locations to natural catastrophes, detect substantial gaps in cover and improve the envisioned risk management measures. The system is based on catastrophe and loss data systematically recorded by Munich Re over the past four decades and now stored in a unique loss database with more than 28,000 entries. This extensive knowledge is the basis for our NATHAN product range, which include worldwide and national risk assessments, loss lists and brief opinions and statements by experts. The database also serves to develop client-specific insurance solutions and is used in both scientific research and political decision-making processes.



“The efficient technical implementation options of the NATHAN Risk Suite accelerate complex business processes and significantly improve risk transparency – to everyone's benefit.”

Andreas Siebert, Head of Geospatial Solutions at Munich Re

Made-to-measure products

The NATHAN World Map of Natural Hazards has been available as a component of the NATHAN Risk Suite since 2011. NATHAN maps, which were developed by geoscientists on the basis of analyses of major catastrophes, indicate degrees of exposure to specific hazards. As an adaptable assessment tool in DVD form, the globe combines Munich Re's collective geo-intelligence, for example, also in relation to urban areas. Via its client portal » [connect.munichre](#), Munich Re also offers online services such as individual risk analyses featuring high-resolution maps and analyses of the natural hazard exposures of entire portfolios.

These services are rounded off by expert consulting services regarding, for instance, risk controlling or the introduction of geoscientific solutions in a client company. For these features, NATHAN Risk Suite was shortlisted for the GeoBusiness Award 2011. The award is given by the German Minister of Economics and Technology for innovative business ideas in the area of geo-information business.

Related topics

» Challenges: Climate change

[munichre.com](#)

» Touch Natural Hazards  
» NATHAN Risk Suite

Publication

» TOPICS GEO Natural catastrophes

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## Microinsurance – Safeguarding livelihoods in emerging countries

Munich Re designs » microinsurance solutions for developing and emerging countries, one of our aims being to combat poverty. In many parts of the world, we therefore cooperate with local experts and international organisations in the context of » public-private partnerships in order to devise and offer new risk-transfer solutions for low-income sections of the population.

Developing countries in highly disaster-prone regions like the Caribbean and Asia suffer considerably from the effects of global climate change. And it is more difficult for the low-income sections of the population in these countries to adapt to the increasing risks. According to an economic study on climate adaptation, losses from weather-related natural catastrophes in certain regions of the world already amount to as much as 6% of the annual gross national product – a figure that could increase by up to three percentage points by 2030. The maximum loss potential in this regard usually derives from hurricanes and typhoons.

### Doing something for society

Up to now, insurance solutions did not get through to many of those sections of the population that were hardest hit. The reasons were insufficient data on local weather risks, inadequate risk management and lack of experience in risk transfer on the part of the initiators. An additional challenge was the absence of a viable reinsurance concept.

Munich Re – in partnership with primary insurers and other institutions such as international NGOs – offers people in the regions concerned affordable policies tailored to their specific needs: » [Microloans](#). By means of » [microinsurance](#), families can be covered against the loss of livelihood if property or the life of the borrower – often the father or mother of a family – is destroyed by catastrophic events. In this way, these covers play a social part in preventing potential impoverishment.

### Public-private partnership in the Philippines and Caribbean

Since October 2010, Munich Re, the German Gesellschaft für Internationale Zusammenarbeit (GIZ) and the umbrella organisation of Philippine cooperatives – CLIMBS – have been implementing the following project successfully. Based on a detailed analysis, Munich Re and GIZ developed weather-index-based microinsurance, enabling the cooperatives to limit their loan defaults and meet their social commitments in the event of a catastrophe. Immediately after an event, the institution concerned receives a reinsurance payment which is disbursed to its members in the form of emergency loans granted on favourable terms, according to need. Weather-index microinsurance as a hedge for a credit portfolio is something totally new in this region.

The Munich Climate Insurance Initiative (MCII) is an umbrella organisation in the Caribbean under which Munich Re cooperates with the Caribbean Catastrophe Risk Insurance Facility (CCRIF) and MicroEnsure, a broker specialised in microinsurance. The aim of MCII is to develop up to three different insurance products and launch them on the market in the coming years. What is new about this is that for the first time the products will be closely linked to risk minimisation measures. Launched by Munich Re together with representatives of international financial institutions, scientific institutes and non-governmental organisations, MCII is based at the United Nations University Institute for Environment and Human Security (UNU-EHS). MCII has been involved in the United Nations climate negotiations process since 2005. This regionally specific and innovative coverage concept is one of the MCII's first steps towards a holistic risk management system for developing countries.

### Microinsurance segment: A growth market

By providing economic stabilisation, microinsurance has a positive effect on social development at local level. It is also a sustainable way for local » [primary insurers](#) to do business. Microinsurance is also an investment in the future for Munich Re. This segment is a growth market, and Munich Re consequently offers microinsurance products not only in the form of reinsurance but also in its primary insurance (ERGO) and Munich Health segments.

### Related topics

- » [Primary insurance: Microinsurance](#)
- » [Challenges: Accessing financial solutions](#)
- » [Commitments: Munich Re Foundation](#)

### External links

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

### Downloads

- » [Factsheet Munich Re GIZ Microinsurance \(PDF, 274 KB\)](#)

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[SYSTEMAGRO](#)

## SystemAgro – Covering risks in agriculture

Munich Re’s crop insurance system is a success the world over: **SystemAgro helps farmers protect themselves from the consequences of climate change. Special public-private partnerships facilitate close cooperation between farmers, the state and agricultural insurers.**

Climate change is causing natural disasters to occur at ever shorter intervals. This is a major threat, especially for agriculture. The shift in growing seasons has led to more frequent frost; hail, drought and floods destroy entire harvests. Such damage often affects large regions and adds up to massive losses.

### Increase in food production by up to 70%

At the same time, the world is undergoing a transformation. In the coming decades, the world’s population will grow dramatically, and there will be a change in dietary habits and lifestyles as a result of growing affluence and the rising demand for bioenergy. Developments such as these will cause skyrocketing demand for agricultural raw materials. The UN's Food and Agriculture Organization (FAO) is even talking about the necessity of increasing worldwide food production by 70% in order to feed the world's burgeoning population – a challenging task in view of the risks of climate change and the continuing exodus from rural areas to cities.

### Safe investments and shared risk

In order to continue to meet the rising demand for food in the future, it will be necessary to invest in seed, fertiliser and technology. This is possible only if the risks are covered. Comprehensive crop insurance cover guarantees continued production in the next season, even after a poor harvest. Experience shows that the private sector alone is unable to bear the burden of effective crop insurance, making it imperative to form public-private partnerships involving multiple parties.

### SystemAgro – An understandable insurance system for all

Munich Re combined its experience with all of the world's crop insurance systems over the past 30 years to create SystemAgro. This system is currently being used to insure over 200 million hectares of farmland. It consists of four parts, each of which is essential for a successful, sustainable crop insurance system: the provision of support to farmers to finance premiums, state participation in insured losses, the availability of insurance for all farmers, and central structures ensuring uniform conditions.

SystemAgro is based on a » **public-private partnership** and is integrated with the relevant laws in the national agricultural policy. SystemAgro reliably minimises the insureds' specific exposure to natural hazards. By concluding multi-peril crop insurance under SystemAgro, farmers boost their credit standing and are enabled to make plans and secure financial protection. SystemAgro from Munich Re is thus a reliable response to the pressing challenges posed by climate change, population growth and the globalisation of agricultural markets.

[munichre.com](#)

» [SystemAgro](#)

### Externe links

» [Food and Agriculture Organization of the United Nations \(FAO\)](#)

### Downloads

» [Publication SystemAgro \(PDF, 1.0 MB\)](#)

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## ERGO – Sustainable insurance products and services

At ERGO, all insureds find the solution that best fits their needs. Utilising its expertise, the primary insurance company provides cutting-edge offers that take account of the increased awareness of the need for climate protection and omnipresent socio-economic changes.

The ERGO Insurance Group offers a wide range of insurance products and services that take account of environmental aspects. For instance, a special motor policy rewards the owners of vehicles that are particularly environmentally friendly with lower premiums. And the insurance company promotes renewable energy by offering the insurance protection needed to utilise the energy sources of the future. ERGO's product portfolio also includes » **microinsurance**, i.e. insurance products in India that have been adapted to suit the financial situations of relatively poor sections of the population in emerging and developing countries.

### Insurance solutions that help protect the environment

Environmental aspects are taken into account in many of ERGO's products. The offering ranges from insurance coverage for renewable energies and eco rates in motor insurance to unit-linked annuity insurance policies that take sustainability criteria into account. » **more**

### Microinsurances – Small policies with a big impact

ERGO develops insurance policies tailored to the financial situation and personal circumstances of people in developing and emerging countries. In India, for instance, its subsidiary HDFC ERGO markets microinsurance policies in the rural sector. » **more**



#### External links

- » **ERGO**
- » **Sustainable products at ERGO**



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## PRIMARY INSURANCE



ECOLOGICAL INSURANCE SOLUTIONS

MICROINSURANCE

## Insurance solutions that help protect the environment

External links

» [ERGO: Eco-insurance policies](#)

Many ERGO products give special consideration to environmental aspects. They range from insurance coverage for renewable energies and eco rates in motor insurance to unit-linked annuity insurance policies that take ecological aspects into account.

ERGO has a number of insurance products in its portfolio that give special consideration to ecological aspects. The use of renewable energies and related technologies is steadily gaining in significance in every regard. Combined property and business interruption insurance provides ERGO policyholders in this segment with comprehensive, client-friendly protection. The policies are geared to photovoltaics, wind energy, water power, biogas, geothermal power, fuel cells and their special features.

### Insurance secures the future of renewable energies

ERGO's activities focus on the photovoltaic market. ERGO is one of the few insurers offering innovative cover extensions such as reduced yield insurance. In the event of loss, this cover includes the loss of revenue from photovoltaic installations for up to twelve months and thus reduces the financial risk for the policyholder. This kind of earnings certainty also has a positive impact on a photovoltaic plant's financing.



The picture on the left shows the engineering insurance publication "Mit neuer Energie in die Zukunft" (With new energy into the future).

### Repairing damaged ecosystems

European environmental law holds polluters responsible for causing damage to flora, fauna, bodies of water and/or soil. ERGO provides coverage for this risk in the form of environmental impairment insurance, which ensures that the damaged ecosystem is rehabilitated. In 2011, some 80,000 clients concluded a policy of this type with ERGO. Moreover, since 2009, our primary insurer has also integrated environmental impairment insurance in public liability insurance, particularly in cases involving commercial risks.

### Helping clients save energy

ERGO helps its clients save energy by offering them suitable insurance products. The current generation of German householders' insurance products, for instance, covers the added cost for acquiring environmentally friendly household appliances if a loss occurs. If older appliances are damaged, ERGO thus bears the additional costs for purchasing energy-efficient models with environmentally friendlier standards.

### Low-cost policies for climate-friendly vehicles

ERGO also offers environmentally friendly insurance solutions for motor vehicles. In Germany, ERGO promotes the use of vehicles with particularly low levels of carbon emissions, thus providing incentives for eco-friendly mobility. At present, the insurer offers a discount in motor liability and comprehensive motor own damage insurance in six different vehicle segments for about 50 selected vehicle types.

### Environmentally friendly with unit-linked annuity insurance

With life insurance, clients have the opportunity to protect themselves against various risks and provide for their own old age while making sustainable investments. In the case of unit-linked annuity insurance, ERGO takes into account ethical, social and ecological concerns, and clients can invest their capital according to different investment strategies in sustainability funds or climate funds.

PRIMARY  
INSURANCE



ECOLOGICAL INSURANCE  
SOLUTIONS

MICROINSURANCE

Microinsurances – Small policies with a big impact

ERGO develops insurance policies tailored to the financial situation and personal circumstances of people in developing and emerging countries. In the rural sector, its Indian subsidiary HDFC ERGO markets microinsurance policies such as health, personal accident and fire, as well as special livestock and equipment covers.

ERGO helps people in India by providing insurance products that enable them to safeguard their livelihood at affordable prices. To do so, the insurer enters into » public-private partnerships and develops products in close consultation with NGOs and microfinance institutions.

Growth market investment

ERGO sees its commitment firstly as an integral part of its corporate responsibility programme and secondly as an investment in a growth market, only 5% of whose potential has been exploited, according to UN estimates. ERGO is primarily focusing on specific regions and countries in Asia.



“Microinsurance will strongly gain in significance in emerging countries over the next few years. International demand is estimated at €1.5bn to €3bn, and insurance companies expect a growth rate of 100% in the next four to five years.”

Andreas Matthias Kleiner, member of the Board of Management of ERGO International AG, responsible for Asia and Turkey

Successful projects in India

Around 90% of Indian's population, or about a billion people, do not have access to the conventional insurance market. ERGO's subsidiary HDFC ERGO is successfully marketing » microinsurance in rural India. Products of this type must be easy to understand and affordable. To reach the customer, microinsurance has to be marketed on large-scale, using innovative channels. For instance, sales rooms have been set up in fifty rural supermarkets in Uttar Pradesh province, providing fast, easy access. Policies range from health, personal accident and property to covers against the loss of working animals and crops.

HDFC ERGO and the Biocon Foundation also offer affordable health insurance to the poor covering the cost of hospitalisation, treatment and operations. Registration is done by mobile phone so that cover can be arranged without the need for lengthy form-filling.

Weather insurance – A growth area

ERGO believes weather insurance based on parametric triggers will become big in India. For example, a predefined sum is paid regardless of actual crop loss if weather events like droughts or floods occur. The advantage of this fixed payment system is that it removes the need to spend time assessing the loss, a process than often costs more than the loss itself. This saving also benefits the insured.

Since 2010, HDFC ERGO has been the first private insurer commissioned by the Indian government to develop weather-based crop insurance in four states – Rajasthan, Madhya Pradesh, Karnataka and Tamil Nadu – under a state-backed programme.

Related topics

- » Reinsurance: Microinsurance
- » Challenges: Access to financial solutions

External links

- » ERGO: Microinsurance
- » HDFC ERGO India

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## Global healthcare expertise

Munich Re’s global healthcare insurance and reinsurance expertise is pooled under its Munich Health brand. More than 5,000 staff at 26 locations worldwide offer their clients and partners optimal products and solutions. They develop forward-looking approaches and products for local markets that also meet the global challenges this sector faces.

In 2009, Munich Re pooled its specialists for international health primary insurance (outside Germany) and reinsurance business in a separate organisation. Experts at Munich Health develop integrated solutions tailored to the individual needs of clients in their local markets, thus enabling this new business field to achieve sustainable growth for the benefit of its clients and partners. In 2011, gross premium income climbed by an appreciable 19.3% to €6.1bn (5.1bn), with Munich Health contributing €45bn (63bn) to the Group's overall result.

### Integrated models improve healthcare services

On Spain's Mediterranean coast, Munich Health is showing how to improve public healthcare services and simultaneously save costs using an integrated healthcare model. This public-private partnership can serve as a model for other projects in the healthcare sector. [» more](#)

### Innovative healthcare programmes – Abu Dhabi and almeda as role models

In Abu Dhabi, Munich Health has incorporated its long-standing global expertise in a programme for the chronically ill. This integrated disease management programme has led to better coordinated patient care, lower incidence of disease and more efficient cost management. [» more](#)



#### Related topics

» Challenges: Demographic change

#### External links

» Munich Health

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## MUNICH HEALTH



### INTEGRATED HEALTHCARE

#### INNOVATIVE HEALTHCARE PROGRAMMES

## Integrated healthcare – A role model

On Spain’s Mediterranean coast, Munich Health is showing how public healthcare services can be improved and costs simultaneously saved using an integrated healthcare model. This » public-private partnership can serve as a model for other projects in the healthcare sector.

It is an innovative healthcare approach in times when many state healthcare systems are stretched to their limits: companies undertake to manage the district healthcare system on a long-term basis on behalf of a government. Spain’s Dénia district administration has transferred responsibility for its healthcare system to DKV Seguros – a part of Munich Re (Group) – along the whole value chain from insurance to healthcare provision.

### High quality, low costs

Since then, the company, which is part of Munich Health, has not only ensured medical care for the district’s 140,000 inhabitants who have statutory health cover, but the 350,000 or so tourists who holiday in the region each year also benefit from this partnership. The new approach is proving advantageous for everyone concerned: DKV Seguros’ involvement saves the district administration costs in the long run, whilst the people insured enjoy the improved quality of public healthcare services.

### A hospital enhances healthcare quality

In Dénia, we provide the complete range of public healthcare services, from emergency, in-patient and outpatient care to a broad spectrum of prevention programmes. As well as healthcare, our responsibilities include cost management – both collecting health insurance contributions and operating an efficient spending policy. Thanks to a 229-bed hospital built to the latest medical standards, we are also improving healthcare quality locally and giving insureds better access to medical services.

### External links

» [Munich Health](#)

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## MUNICH HEALTH

INTEGRATED HEALTHCARE

INNOVATIVE HEALTHCARE PROGRAMMES

## Innovative healthcare programmes – Abu Dhabi and almeda as role models

**In Abu Dhabi, Munich Health has incorporated its long-standing global expertise in a programme for the chronically ill. This integrated disease management programme has led to better coordinated patient care, lower incidence of disease and more efficient cost management.**

In the past 20 years, lifestyles in the United Arab Emirates have changed drastically. One of the consequences has been an increase in diabetes and obesity; according to the World Health Organization, every fifth inhabitant has diabetes, and over half of the population is overweight. Rising medical costs pose huge problems for the local healthcare systems. In response to these challenges, Munich Health and the regional health insurer DAMAN National Health Insurance have devised a new medical service programme on behalf of the government. This programme offers health insurance in combination with Munich Re's range of services delivered by almeda GmbH.

### Improving the quality of life of the chronically ill

almeda GmbH is Munich Re's assistance and telemedical healthcare service provider. Its services help people in emergencies or in the longer term, person to person and on the phone or through the internet. Since August 2009, Munich Health and almeda have offered comprehensive healthcare programmes for diabetics and obese patients, ranging from prevention and efficient treatment management to the management of healthcare costs.



“We aim to counteract the rapid spread of obesity through education. The local population will not change their behaviour until they are aware of the risks of obesity.”

Dr. Franz Benstetter, Head of Operational Services  
Munich Health

### Prevention through phone coaching

The core element of the integrated health solution is phone coaching for the chronically ill by fixed contact persons. In discussions with medical experts, patients are taught how to manage their diseases themselves, the aim being to exercise a positive and lasting influence on their lifestyle. The overriding goal is to improve the quality of life of those patients suffering from diabetes mellitus and/or obesity, to coordinate their treatment and to reduce the long-term consequences and complications, hence lowering healthcare expenditure in the long run.

### Patients benefit from public-private partnership

The first results of the programme illustrate that this cooperation could well serve as a model project. Our long-term experience in disease management and in the efficient running of healthcare programmes worldwide is paying off in Abu Dhabi. Patients are benefiting from better care and the programme has eased the cost pressure on state health budgets. More than two million clients have in the meantime made use of Munich Health's services. The strategic partnership between DAMAN and Munich Health has plans reaching until 2019.

External links

» [Munich Health](#)



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ASSET  
MANAGEMENT

Sustainable asset management

Years of experience, all-round know-how and sustainable investment management are MEAG’s hallmarks. Munich Re’s asset manager is one of Europe’s leading companies in the field. In addition to managing Munich Re’s global investments, MEAG also offers its expertise and experience to institutional and private investors outside the Group, proving that sustainable investment strategies can bring good returns.

The assets managed by MEAG currently include retail funds for private investors with a volume of €2bn. Experienced fund managers invest their customers’ money prudently, following a well thought-out, controlled-risk investment approach. Our objective is to offer investors long-term, above-average performance. Our range of sustainability-oriented fund products allows our clients to profit from our experience in this field as well.

Strategies for investing responsibly

Here too, just as for our own investments, the UN Principles for Responsible Investment (PRI) are the guideline for specific action recommendations that take ecological and social factors into account in our long-term investment decisions. MEAG’s investment products prove that economic, ecological and social requirements need not be a contradiction in terms. The asset manager of Munich Re and ERGO offers its customers investment funds that focus on sustainability. » more



Related topics

» Management: Sustainable investment

External links

» MEAG  
» ERGO: Our investments

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## ASSET MANAGEMENT



### Strategies for investing responsibly

MEAG’s investment products prove that economic, ecological and social requirements need not be a contradiction in terms. The asset manager of Munich Re and ERGO offers its customers investment funds that focus on sustainability.

Climate protection is not only necessary, it also presents great opportunities, as illustrated by the MEAG KlimaStrategie fund. "We offer opportunities for investors who share our concerns, namely that industry must encourage a wiser stewardship of our natural resources in future", says Dr. Thomas Kabisch, Chairman of the Executive Board of MEAG.

The fund’s investment strategy is geared to systematic investment in companies that concern themselves with climate change, either by developing measures to adjust to the consequences of global warming or by providing solutions to reduce greenhouse gas emissions. With this fund, the asset manager of Munich Re and ERGO offers investors an international, widely diversified investment opportunity that takes advantage of the growth trend in the area of climate protection.

**A fund for sustainable and entrepreneurial action**

The equity fund MEAG Nachhaltigkeit, which was set up on 1 October 2003, invests throughout the world primarily in companies that conduct business in a responsible manner. Companies are selected just as much on the basis of their environmentally friendly and socially responsible conduct as on their financial success. This involves supplementing leading equities with forward-looking niche providers. In contrast, producers of tobacco, alcoholic beverages, arms and weapons are excluded, as are companies in the gambling industry. In the Feri EuroRating Awards 2011, MEAG’s Nachhaltigkeit fund was nominated one of the top five funds in the Equity Sustainability/Ethics World category. The jury was impressed by its very good performance given the favourable relation between opportunity and risks and its professional fund management.

**Foundations can invest your money fairly**

The premise of every foundation is to provide safe returns whilst preserving the endowment. The MEAG FairReturn investment fund established in June 2009 meets both requirements. Its managers apply strict social, ecological and financial criteria and invest mainly in Europe. Their objective is to deliver positive performance. The fund met with so much approval that MEAG opened it to private investors in spring 2010. The MEAG FairReturn fund was rated as "very good" by Feri EuroRating at the beginning of 2012. The fund's sustained success is evidenced by further awards, principally due to the fund's investment style, particularly its limited of the risk of loss.

All our investment strategies adhere to the Principles for Responsible Investment (PRI), which Munich Re signed in 2006, the first German company to do so. These six principles are the basis for devising action recommendations designed to take into account ecological and social factors, as well as aspects of good corporate governance in making long-term investment decisions.



Related topics

» [Management: Sustainable investment](#)

External links

- » [MEAG](#)
- » [Principles for Responsible Investment \(PRI\)](#)
- » [New PRI chair announced \(PDF\)](#)

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## COMMITMENTS

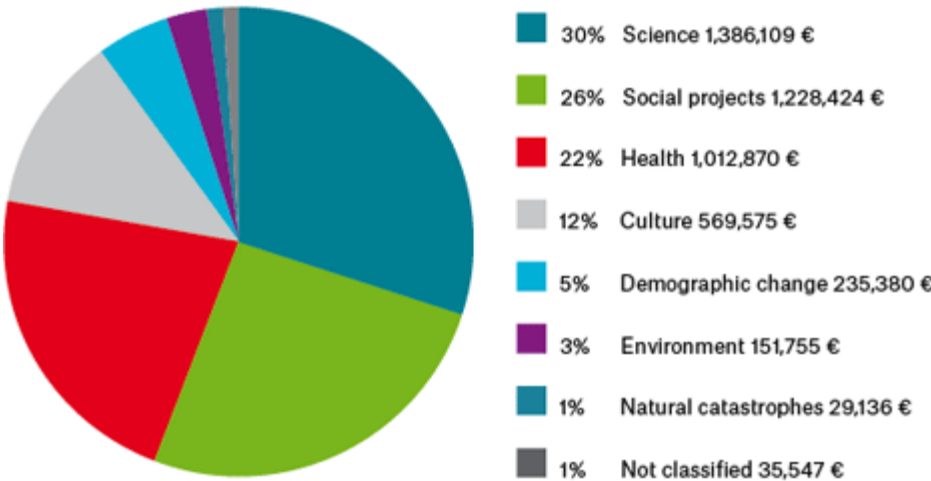
### Responsibility for the community

Munich Re is convinced that long-term success is only possible if we take due account of economic, ecological and social requirements in our operations.

Our understanding of corporate responsibility therefore involves more than financial sustainability and factoring the implications of climate change and environmental degradation into the products we design and solutions we devise – it also includes social responsibility.

For us, that means assuming responsibility for the community in which we live and work. Besides our involvement in the topics of environment, natural catastrophes, demographic change and health, Munich Re supports social and cultural projects at its business locations, as well as education and science. Munich Re's commitment is backed by three foundations, each of which contributes significantly to sustainable projects and activities at national and international level.

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



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

In 2011, Munich Re (Group) spent more than €4.5m on donations, sponsorship and membership of charitable institutions.

This social engagement is supplemented by our three corporate foundations. The Munich Re Foundation, ERGO's Youth & Future Foundation, and the Dr. Hans-Jürgen Schinzler Foundation provided funding of various projects in 2011 amounting to nearly €1.7m (not including administrative expenses).

The time staff spent on corporate volunteering activities came to approximately €133,000.

#### Corporate citizenship concept – Commitment according to plan



A new concept for the strategic orientation of our corporate citizenship commitment provides concrete guidelines and criteria. [» more](#)

#### Focal points – Investment in the future



In addition to general guidelines, the concept also outlines the principal areas and criteria for selecting charitable projects. [» more](#)

#### Foundations – Making a difference



Foundations can be a major driver of current developments. That is why we have set up three corporate foundations. [» more](#)

#### External links

[» ERGO and society](#)

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## New corporate citizenship concept – Commitment according to plan

**Corporate citizenship – our responsibility towards society – has a long-standing tradition at Munich Re. Our new concept for the strategic orientation of our commitment to corporate citizenship is based on business-Related topics and sets out the guidelines and criteria for selecting donations and sponsorship projects.**

One of our main aims in addition to exercising responsibility in our business and organising our environmental management is to make a contribution to benefiting society at our different business locations with the same measure of care and seriousness. After all, assuming an active role as a corporate citizen, i.e. acting as a sponsor, donor and co-shaper of innovative social processes and projects, is an indispensable part of corporate responsibility.

To position ourselves more strategically and create a framework for our international social commitment, we have designed a Group-wide corporate citizenship concept that contains concrete sponsorship criteria. Instead of making many small individual donations at the different locations, we intend to increasingly concentrate on major projects with selected partners. The emphasis is on long-term cooperations and a stronger involvement of our staff in » [corporate volunteering measures](#).

In addition to the basic promotion of social and cultural projects at our different locations, the concept focuses on business-Related topics. Our reinsurance operations intend to increasingly support projects in the field of natural catastrophes and demographic change that deal with disaster prevention and the consequences of migration. ERGO will devote special attention to children's and youth projects, with a strong focus on the promotion of education in its wide range . Health and prevention topics will be given precedence by Munich Health.

This project-based commitment on the part of Munich Re will be supplemented by the activities and projects engaged in by the three corporate foundations – the Munich Re Foundation, the Dr. Hans-Jürgen Schinzler Foundation and the ERGO Youth & Future Foundation – which contribute significantly to addressing problems and challenges sustainably at national and international level.

Related topics

- » [Strategy: Guiding concept and mission](#)
- » [Commitment: Foundations](#)



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## Investing in the future

Munich Re specifically supports areas of society that help to address global challenges. To ensure that we contribute through our know-how and strength in risk issues, we not only promote social and cultural projects at our different locations but in doing so place a clear emphasis on business-Related topics.

### Education and science – Basis for the future

Well-founded knowledge has a high priority for Munich Re as a financial services provider. Our knowledge of risk is the cornerstone of our business. Our social commitment is therefore centred on the areas of education and science. [» more](#)

### Sponsoring culture – A tradition of involvement

Cultural commitment is one of Munich Re's long-standing traditions. As we see it, art and culture are crucial to society's well-being and serve as barometers for innovative developments and global trends. Our promotion of art in construction dates back nearly 100 years, and we also further dialogue between art and industry. [» more](#)

### Social commitment – Sustainable and personal

Munich Re and its staff support social institutions and projects in Germany and internationally. As well as the financial help we provide, a number of our employees also devote part of their leisure time to good causes. They participate in charitable sporting events, donate a portion of their monthly salary or do voluntary work. [» more](#)

### Health – Education and prevention

Whilst insurance companies may not be able to protect people from illness, Munich Re is nevertheless very much committed to helping create a healthier society by supporting health education, promoting sporting activities, and financing life-saving technology. [» more](#)

### Other focal areas

Besides our involvement in the topics mentioned, Munich Re also supports projects in the field of natural catastrophes, the environment and demographic change. Examples include catastrophe prevention, support for disaster-relief measures, initiatives for the preservation of biodiversity and the protection of natural resources.



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## FOCAL AREAS

### EDUCATION AND SCIENCE

#### ART AND CULTURE

#### SOCIAL COMMITMENT

#### HEALTH

## Education and science – Basis for the future

**Expert knowledge is a high priority for a provider of financial services like Munich Re. Our knowledge of risk is the cornerstone of our business. Therefore, our social commitment is centred on the areas of education and science.**

### School, vocational and university education

As a member of the Stifterverband für die Deutsche Wissenschaft (Association for the Promotion of German Science and Humanities), Munich Re helps promote Germany as a scientific location. ERGO is involved in a number of support projects for the training and education of young people. In 2011, these activities again included being chief sponsor of the school competition "Schule macht Zukunft" (Schools for the Future), which is designed to strengthen dialogue between schools and business.

Many talented young people lack the means to make the most of their potential. This is also an area in which Munich Re is keen to offer effective long-term support. Under North Rhine-Westphalia's Germany Scholarship, the ERGO Insurance Group provides financial assistance to students at Cologne University and the Cologne and Düsseldorf Universities of Applied Sciences each year, mainly in the subjects of law, economics, insurance science, (business) mathematics and (business) information technology. In addition, selected diploma candidates at the University of Mannheim are supported via the Dr. Kurt-Hamann Foundation.

ERGO Latvia provides targeted sponsorship programmes giving orphans the chance to study at university, and Munich Re Munich supports the "Joblinge" initiative by financing two scholarships. Besides this, several employees act as mentors for this project and partner young people beginning their careers, offering practical assistance and professional expertise.

### Science and research

Munich Re has been supporting the Ludwig Maximilian University in Munich since 1922 through its involvement in the Münchener Universitätsgesellschaft (Munich University Society), which promotes university research and teaching. Munich Re provides both office and staff for the Munich University Society. The University Society helps fund a large number of academic projects, interdisciplinary visiting scholarships and lecture series, national and international academic congresses and ongoing cooperation with other universities. In addition, the Society presents annual awards and sponsorship prizes for the Ludwig Maximilian University's new academic talent. At the same time, the members of Munich Re's Board of Management have also made personal commitments to further improving the knowledge interface. For example, Dr. Wolfgang Strassl is a member of the Board of Trustees of the European School of Management and Technology in Berlin, and Dr. Ludger Arnoldussen is on the Advisory Council of "Dialogue on Sustainability", an initiative of the Catholic University of Eichstätt/Ingolstadt.

Munich Re also devotes significant resources to selected scientific topics. For example, in order to promote awareness of mathematical issues and to get people more interested in this science, Munich Re has facilitated the internet portals of the German (since 2001) and European Mathematical Societies (since 2009). The core content of the European portal is now defined by 16 project coordinators from across Europe and is updated on an ongoing basis. Another project was a Chair in Insurance at the University of Waterloo, which our subsidiary Munich Re of Canada helped to establish.

### Social dialogue

On the basis of our expertise, we take an active role in national and international dialogue with various interest groups and NGOs, as well as with experts from the worlds of politics, public administration and science, in order to develop appropriate solution strategies for handling risks worldwide. Numerous memberships and cooperation partnerships with university associations and academic societies to promote insurance sciences facilitate a direct exchange with specialists, who in turn benefit from our experience. A particular focus of our commitment is on climate protection: for some 35 years, Munich Re's experts have been analysing and documenting global climate change and sharing their knowledge with numerous national and international organisations, institutions and associations.

In October 2008, Munich Re began working together with the renowned London School of Economics and Political Science (LSE). We are supporting a five-year project launched by the Centre for Climate Change Economics and Policy (CCCEP) with the purpose of analysing the opportunities and risks that climate change brings for the insurance industry at the interface of climate research and economics. The analyses focus particularly on the quantification of the impacts on the insurance industry, the expansion of low-carbon and renewable technologies for power generation, and the opportunities and effects of emissions trading systems.

In cooperation with the Tunisian National Advisory Council for Scientific Research and Technology, the DESERTEC Foundation has set up a platform for scientific cooperation on the desert-power project in order to support the key aspect of training local specialists. Besides the non-profit DESERTEC Foundation, the other members are 18 universities and research institutes from the Middle East and North Africa. It is planned to expand the network to a global platform in order to promote the implementation of the DESERTEC desert-power concept in other regions of the world.

### Organisations supported by Munich Re:



#### Related topics

» [Challenges: Climate Change](#)

#### External links

- » [ERGO: Commitment to education and science](#)
- » [German Mathematical Society \(German only\)](#)
- » [European Mathematical Society](#)
- » [Stifterverband für die Deutsche Wissenschaft \(German only\)](#)
- » [Munich University Society \(German only\)](#)



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## FOCAL AREAS

EDUCATION AND SCIENCE

ART AND CULTURE

SOCIAL COMMITMENT

HEALTH

## Sponsoring culture – A tradition of involvement

Cultural commitment is one of Munich Re's long-standing traditions. This applies in particular to contemporary art as an expression and reflection of society's vitality and a barometer for innovative ideas.

Both sides benefit from interaction between business and culture, and many cultural projects are only possible because of corporate sponsorship. At the same time, creative and aesthetic aspects can also provide valuable impulses for employees and society as a whole. That is why Munich Re supports the arts, for example as a member of the arts sponsorship group AKS within the Federation of German Industries (BDI).

### Art and Munich Re

Munich Munich Re's appreciation of art has a long tradition. Founder Carl von Thieme recognised the inspirational power of contemporary art and enjoyed engaging in dialogue with artists. In 1912 and 1913, he commissioned a number of young artists to decorate the newly completed Main Building at Königinstrasse in Munich, thus laying the foundations for our artistic commitment.

Our corporate art collection has always been an integral part of Munich Re's corporate culture. We only acquire works by contemporary artists that mirror the present and function as a "seismograph" of society.

Since 2011 the sculpture „Discrepancy“ by Roxy Paine is a striking new visual element in Munich Re's art collection. Like Jonathan Borofsky's 17-metre-high Walking Man back in 1995, Paine's steel sculpture visibly and tangibly reflects our corporate commitment to art in a publicly accessible place.

### Strengthening the dialogue between culture and business

A further contribution towards strengthening the dialogue between culture and business was our Climate and Art competition in 2010. Together with the Academy of Fine Arts in Munich, the Munich Re » Corporate Climate Centre and our Corporate Art Department invited students to address the subject of climate change in their artistic work. At the same time, the academy held a seminar on the same topic in conjunction with Munich Re experts. The models created by the 11 finalists have thus far been on display in exhibitions in Munich (2010/11) and Düsseldorf (2011).

### Promotion of young artistic talent

Munich Re promotes young artists, for instance through its sponsorship of "Ton und Erklärung", a violin contest organised by the Kulturkreis der deutschen Wirtschaft (Association of Arts and Culture of the German Economy) where 16 hand-picked musicians under the age of 28 are given the opportunity to play a selection of works to a jury. The winners are introduced to the public in a closing concert.

Besides this, Munich Re supports the Carl Orff Days organised by the Bavarian Philharmonic Orchestra, which bring together children and adults, pupils and students, amateurs and professionals, orchestra and choir, education and professionalism in joint performances with a multifaceted musical offering. The aim is to promote young musicians and teach them the fundamentals of symphonic and professional music-playing.

### Commitment at the Munich office

With our membership in various bodies dedicated to promoting and supporting Munich cultural institutions, such as the Premium Circle of the Bavarian State Opera or the Pinakothek Society, we underscore our commitment to the arts. Munich Re also cooperates with various Munich museums. MEAG has adopted its own approach to art appreciation. Several times a year, it organises guided tours for staff to current exhibitions.

### Sparkling children's interest in music

Since 2009 the ERGO Insurance Group has sponsored the classical concert series “3-2-1 Ignition”. The youth concerts presented by the Düsseldorf Tonhalle within its “Junge Tonhalle” series seek to bring classical music closer to young people. In the “SingPause” project also sponsored by ERGO, trained singers visit Düsseldorf primary schools twice a week to build up a broad international repertoire of songs among the children. In this way, the children get to know their own voice, develop a feel for the music, and train motor skills and concentration in an enjoyable activity.

### Organisations supported by Munich Re (Group):



### External links

- » [ERGO: Commitment to music](#)
- » [Wettbewerb Kunst und Klima \(German only\)](#)
- » [Munich Re art collection](#)
- » [Junge Tonhalle \(German only\)](#)
- » [SingPause \(German only\)](#)
- » [Bayerische Philharmonie \(German only\)](#)
- » [Kulturkreis der deutschen Wirtschaft \(Association of Arts and Culture of the German Economy\)](#)
- » [Akademie der Bildenden Künste München \(German only\)](#)

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## FOCAL AREAS

EDUCATION AND SCIENCE

ART AND CULTURE

SOCIAL COMMITMENT

HEALTH

## Our social commitment – Sustainable and personal

Munich Re and its staff support social institutions and projects in Germany and internationally. As well as the financial help we provide, a number of our employees also devote part of their leisure time to good causes. They participate in charitable sporting events, donate a portion of their monthly salary or do voluntary work.

Due to natural catastrophes, disabilities, illness or other twists of fate, people can find themselves in great need through no fault of their own. That is why Munich Re supports selected aid projects worldwide via fund-raising campaigns and » corporate volunteering activities.

### Supporting and integrating people with disabilities

We attach great importance to the integration of people with disabilities. As a result, since 2001 we have supported Munich's Stiftung Pfennigparade, a foundation dedicated to the physical and psychological rehabilitation of physically disabled people. For example, at our Munich site we regularly employ interns with physical disabilities whose placements are arranged via Pfennigparade. The integration of people with disabilities is promoted at Munich Re's international sites as well. At DKV Seguros in Spain and ERGO Hestia in Poland colleagues with a physical disability provide telephone support to customers – a project supported by the in-house foundation, Integralia. Since September 2010, D.A.S. has been cooperating with the Munich-based integration company ICP Verwaltungs- und Service GmbH (IVS), helping severely disabled employees to gain a foothold in the primary labour market through qualified occupations. At the integration company, young office clerks and office workers with cerebral palsy work together with people without a disability. They have received extensive and specific training for the demanding tasks at D.A.S.

"CaFée mit Herz", another ERGO project, provides a meeting place and daily point of contact for the unemployed and homeless in Hamburg's St. Pauli district. By offering various integrative and confidence-building activities, this project attempts to give the people concerned a foothold and a sense of belonging in society again.

### Protecting primary school children on their way home

ERGO has also made a commitment to "Helfende Hand" (Helping Hand), a project founded by several Düsseldorf primary schools and the Düsseldorf police. The initiators want to help make children's journeys to and from school safer. Selected businesses partnering the project and located on the routes taken by young schoolchildren are marked with a "helping hand" symbol. Children can get help there in critical situations.

### Promoting international projects

Munich Re's commitment to society does not stop at Germany's borders. ERGO Belgium, for example, has devoted itself to the cause of socially disadvantaged children, with initiatives backed by well-known sports personalities. ERGO employees in Luxembourg support the local Red Cross by donating €5 to social projects for each insurance policy taken out.

Staff at Munich Re in Malta helped refugees from Somalia, Eritrea and Ethiopia who had fled to Malta as a result of the Libya crisis. To enable the refugees to enter Germany, volunteers in Malta gave them language tuition first. Munich Re staff organised a collection of winter clothing, which was distributed to those in need in the refugee camps. This activity was coordinated by the German protestant church in Malta. Munich Reinsurance Company of Africa supports the organisation Girls & Boys Town in South Africa, which is active in several cities caring for neglected and abused children between the ages of 8 and 16, with the aim of giving them a better future.

In collaboration with Habitat for Humanity, staff of Munich Re in Singapore helped build stormproof and affordable dwellings for inhabitants of an Indonesian island just off the coast of Singapore. Some 30% of the construction material was financed through a fund-raising campaign conducted by the helpers. The remaining 70% of the cost was assumed by Munich Re's Singapore branch. Besides the financial support, twelve employees also participated directly in constructing the buildings, helping dig the foundations, transport earth away and mix concrete.

### Organisations supported by Munich Re (Group):



### Related topics

- » [Dr. Hans-Jürgen Schinzler Foundation](#)
- » [Management: Diversity](#)

### External links

- » [ERGO: Social commitment](#)
- » [ERGO: "ergo: wir helfen e.V." association](#)
- » ["Helfende Hand" \(Helping Hand\) Project \(German only\)](#)
- » [Madeleine Schickedanz-KinderKrebs-Stiftung \(German only\)](#)





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## FOCAL AREAS

EDUCATION AND SCIENCE

ART AND CULTURE

SOCIAL COMMITMENT

HEALTH

## Health – Education and prevention

Whilst insurance companies may not be able to protect people from illness, Munich Re is nevertheless very much committed to helping create a healthier society by supporting health education, promoting sporting activities, and financing life-saving technology.

In spite of all progress, there are diseases that have not yet been conquered, while many can be treated provided they are recognised in good time. And there are yet again others that could be avoided through a combination of sport and a healthy diet. It is therefore in Munich Re's interest to disseminate knowledge about health and to promote measures specifically designed to diagnose, treat and prevent diseases.

### Promoting health education

We mainly support projects that focus on health education, a goal to which DKV as the largest private health insurer in Europe is also committed.

ERGO Estonia organises for example country-wide tours with so-called mammobuses to educate women about breast cancer. The buses park at public meeting points to offer women a free medical examination (mammography). The screening is backed by an information campaign on breast cancer.

DKV Seguros in Spain also places special emphasis on prevention. In addition to cooperating on a national basis with the Spanish cancer screening society and fostering an information programme on kicking the habit of smoking, this insurance subsidiary organises targeted health forums for all age groups.

### Promoting exercise and sport

A further aspect of ERGO's social commitment is to promote health through sport. The annual DKV Brückenlauf (DKV bridge race) is an example of its involvement in this area. In past years, ERGO staff have taken part in the bridge race as a personal sponsored run, with ERGO donating one euro to a social project for each kilometre completed.

ERGO has also been supporting the school sports initiative Klasse in Sport (Class in sport) at 26 German primary schools since the 2011/12 school year. The aim of the initiative, in addition to developing the children's personalities, is to offer them qualified and motivating school sports classes.

### Saving lives by donating blood

The staff at ERGO Hestia in Poland are personally committed to helping their compatriots medically: a specially equipped ambulance travels six times a year to ERGO's Polish headquarters and collects blood donations. Employees also donate blood regularly at the main offices in Germany, thus making a valuable contribution to the treatment of the sick and accident victims.

### Help for sick and homeless children

Helping people in critical life situations is also a focus of the charitable work of ERGO and MEAG. As one of the main sponsors of the Madeleine Schickedanz-KinderKrebs-Stiftung (Madeleine Schickedanz children's cancer foundation), ERGO Direkt contributes to increasing the chances of recovery for young cancer sufferers. In the past two years, the proceeds from MEAG's annual Christmas raffle went to Elterninitiative Krebskranke Kinder (parent initiative for child cancer sufferers) and to the Münchner Waisenhaus orphanage. Moreover, Munich Re Munich has been supporting the children's palliative centre in Munich since 2010.



### External links

- » [ERGO: Commitment to health](#)
- » [DKV Brückenlauf \(DKV Bridge Run - German only\)](#)
- » [Deutsches Hygiene-Museum Dresden \(German Hygiene Museum Dresden\)](#)
- » [Madeleine Schickedanz-KinderKrebs-Stiftung \(German only\)](#)

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## Making a difference

Munich Re has long recognised that foundations can be a motor for change. That is why we have set up three corporate foundations with which Munich Re aims to meaningfully address society's challenges. Our goal is to operate sustainably and effectively.

### Munich Re Foundation – Improving living conditions

A company with a wealth of knowledge should share it. Munich Re fulfils this responsibility with the Munich Re Foundation. In keeping with its motto “From Knowledge to Action”, the Munich Re Foundation plays its part in helping people in difficult situations, primarily in developing countries, and improving their living conditions. » [more](#)

### Dr. Hans-Jürgen Schinzler Foundation – Promoting corporate volunteering

The corporate volunteering activities furthered and financed by the Schinzler Foundation and our employees' voluntary work are another pillar of our social commitment. » [more](#)

### ERGO Foundation – Creating perspectives for the future

ERGO's (formerly Hamburg-Mannheimer's) “Jugend & Zukunft” (“Youth & Future”) Foundation was set up to give disadvantaged youngsters better career prospects, primarily through the medium of an annual €100,000 national sponsorship prize, presented by the foundation since 2006. » [more](#)

#### The Foundations of Munich Re (Group):



- External links
- » [Munich Re Foundation](#)
  - » [Schinzler Foundation](#)
  - » [ERGO Youth & Future Foundation](#)

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## FOUNDATIONS

### MUNICH RE FOUNDATION

DR. HANS-JÜRGEN SCHINZLER  
FOUNDATION

ERGO YOUTH & FUTURE  
FOUNDATION

## Munich Re Foundation – Improving living conditions

**Munich Re adopts a prospective, prudent and responsible risk management approach. For around 130 years, we have created value over the long term by assuming a wide diversity of risks globally. A company with a wealth of knowledge should share it. Munich Re fulfils this responsibility with the Munich Re Foundation.**

In keeping with its motto “From Knowledge to Action”, the Munich Re Foundation, (established in 2005) plays its part in assisting people in risk situations, primarily in developing countries, and improving their living conditions. Disaster prevention is an important element of the foundation's work, and there are a number of ongoing projects in this field. The €100,000 RISK Award, which was launched in cooperation with the Global Risk Forum Davos and the United Nations International Strategy for Disaster Reduction (UNISDR), contributes to optimising disaster management. The award is aimed at early-warning systems that may serve as models for other projects. One such example is Mozambique, where the Munich Re Foundation, in cooperation with other partners, operates and is currently expanding an effective flood-warning system.

### Mozambique flood-warning system

In 2000, more than 700 people died in heavy flooding in Mozambique. The Munich Re Foundation works to better prepare the people living in flood-prone areas for catastrophes.

Since its launch, the Munich Re Foundation's Mozambique flood-warning system project has helped establish simple but effective early-warning systems along a number of rivers, including the Búzi and Save. It uses existing structures and the experience of well-known organisations to provide help as effectively as possible. Experts from the German Agency for International Cooperation (GIZ) and IPConsult, Stuttgart, set up the early-warning system with the help of local experts and institutions and in conjunction with the population. The project is supported and endorsed by the region's inhabitants and politicians. They and the Munich Re Foundation make risk prevention possible for thousands of Mozambicans living near the rivers. Eric Salas, project partner on the ground, commented on the early-warning-system partnership as follows: “We can only use our expertise to make things happen provided we receive effective aid resources thanks to the support of partners like the Munich Re Foundation.”

### Microinsurance safeguarding livelihoods

The Munich Re Foundation's efforts are making themselves felt not only in the field of disaster management. Indeed, its worldwide projects are aimed at helping to achieve the United Nations Millennium Development Goal of ending poverty, which is why the foundation has organised a large annual International Microinsurance Conference since 2005. Microinsurance offers low-income population groups an opportunity to insure against risks, primarily health risks, cushioning them against the consequences of severe financial hardship.

### Forum for microinsurance experts

The conference offers representatives of the insurance industry, regulatory authorities, development organisations and research institutes a platform for discussing new ways to insure the lowest income groups at reasonable cost. The 2011 conference in Rio de Janeiro, Brazil, for example, attracted some 400 experts from 52 different countries and is the biggest microinsurance conference in the world. It is held in turn in Africa, Asia, and Latin America. Tanzania, Africa, will be the venue of the conference in 2012.

### Climate change and education

In addition to poverty reduction and disaster prevention, the foundation's main pillars include providing information and education in the area of climate change. In conjunction with a Chair at the UN University in Bonn (UNU-EHS), the foundation is investigating the effects of climate change on social vulnerability and resilience. In conjunction with Green City, its renowned project partner, the foundation also sponsors projects dealing with climate issues at primary and lower secondary schools.



Thomas Loster (MRF), Margareta Wahlström (UNISDR) and Walter Ammann (GRF Davos) have undertaken a joint commitment to disaster reduction.



Local flood helpers in Mozambique during an exercise. Red flags are raised when the hazard level is highest.

### Related topics

» [Solutions: Microinsurance \(reinsurance\)](#)

### External links

» [Munich Re Foundation](#)  
» [Munich Re Foundation: Publications](#)



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## FOUNDATIONS

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[DR. HANS-JÜRGEN SCHINZLER FOUNDATION](#)

ERGO YOUTH & FUTURE FOUNDATION

## Dr. Hans-Jürgen Schinzler Foundation – Promoting corporate volunteering

The Schinzler Foundation was set up in 2004 with the aim of encouraging Munich Re employees to undertake voluntary work. In the meantime, the foundation has become the platform for all Munich Re's » corporate volunteering activities.

The goal of the Dr. Hans-Jürgen Schinzler Foundation is to facilitate voluntary work carried out by Munich Re (reinsurance) staff worldwide in a wide range of fields, including culture, healthcare, the environment, charity work and the academic world. In addition to giving financial support for projects, the foundation has been organising "social days" for staff since 2010 and providing project ideas for voluntary helpers.

### Munich Re social day at a community centre

A team of 13 Munich Re employees spent a day at a Munich community centre. The volunteers worked with people of immigrant origin and from socially disadvantaged backgrounds on applying for jobs, helping them individually to optimise CVs and application documents with a view to improving their position in the job market. In addition, there was a parallel programme to look after children during the "application training" of their parents.

### Homes of Hope – Renovating a school boarding home

Financial support from the Schinzler Foundation and the efforts of voluntary helpers enabled a school and a school boarding home in Namibia to be renovated. In March 2011, a group of volunteers including one Munich Re employee first travelled to Windhoek to find out about the development cooperation between Germany and Namibia. After two days in the capital, the group left for the Omaheke region, where for two days they renovated the Mphe Thuto Primary School, giving it a real facelift. They also renovated a second building, a 14-year-old school boarding home in Eiseb, a town of around 500 inhabitants where there is extreme poverty. Within two weeks, the boarding home had been renovated, painted and provided with roof insulation.

### Social day for Munich Re trainees

The Munich Re trainees of 2011 devoted two days of corporate volunteering to Kindergarten FortSchrift (German for "progress"), which belongs to an association for developing the skills of mentally and physically disabled children in Munich. On the first day, the trainees and children got to know each other during a games day at the kindergarten. The second day took place at Munich Re's Schliersee Country Guest House in Neuhaus. Accompanied by the trainees, the children went on a sleigh ride through the snow and were then visited by Father Christmas, who brought them presents. The children thus experienced a different environment and spent two interesting days with Munich Re trainees as "new" young carers. They, for their part, gained an insight into a field of activity completely different from their usual work. The two days were also very positive in terms of team-building.



Homes of hope-project in Namibia

#### External links

» [Schinzler Foundation](#)

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## FOUNDATIONS

MUNICH RE FOUNDATION

DR. HANS-JÜRGEN SCHINZLER  
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## ERGO Foundation – Creating perspectives for the future

**ERGO’s (formerly Hamburg-Mannheimer’s) “Jugend & Zukunft” (“Youth & Future”) Foundation was set up to improve the career prospects of disadvantaged youngsters, primarily by awarding an annual €100,000 national sponsorship prize, presented by the foundation since 2006.**

The ERGO Foundation’s “Jugend & Zukunft” sponsorship prize is awarded to outstanding projects that promote the development of disadvantaged youngsters. The award was presented to a public/non-profit organisation for the sixth year in succession in 2011. Whereas in past years the focus had been on art and the theatre, the 2011 prize was awarded to innovative projects and interdisciplinary concepts from the world of film and photography. The target group comprises charitable and public organisers of projects, such as societies, welfare organisations, foundations and schools. A jury nominates 11 projects from all the entries. The top three are awarded funding of €25,000, €20,000 and €15,000 respectively, while each of the remaining eight receive €5,000.

### Threefold effect

The effect of the prize is intended to be threefold. Firstly, it gives direct support to worthwhile initiatives, so that they can broaden and enhance their work. Secondly, the prize is intended to raise the profile of the projects and inspire others to undertake key social initiatives. Thirdly, in awarding the prize, the “Jugend & Zukunft” Foundation acts as a platform that networks various initiatives, and increases the impact they each have as individual projects.

### A different perspective

Film and photography are ideal media for young people wishing to convey the images they see in their mind’s eye. Confidence-building photo and film projects were therefore considered a suitable field for the foundation to sponsor. Initiatives from all parts of Germany submitted entries for the 2011 national sponsorship prize, the theme of which was “Bewegte Bilder – Bilder bewegen” (Moving images – Images move). The awards ceremony for the winners was held in Hamburg on 9 November.

The jury, which was headed by Hamburg’s former culture senator Karin von Welck, focused on inspiration and integration in its selection of initiatives. The first prize (€25,000) was awarded to the youth project Chorweiler Cosmos Future, a video magazine from and about Cologne’s Chorweiler district and supported by the local community centre. Second place (€20,000) went to the Hamburg project “Jugendfilmwerkstatt St. Pauli” (Youth Film Workshop St. Pauli), an initiative that enables and helps youngsters to turn their film ideas into reality. Third place (€15,000) was secured by “Durchgeblickt – Gewalt im Sucher” (Through the lens – Violence in focus). The aim of this photographic project was to present violence from the perspective of the young and give them the opportunity to come to terms with the subject at an artistic level.

Eight other projects were awarded €5,000 each. The awards were presented by the renowned German cameraman Michael Ballhaus and the equally well-known actor and film director Hark Bohm, both of whom agreed to be patrons of this year’s contest.

### Impetus from the Job Locomotive and the voluntary social year

The Hamburg Job Locomotive project is another focal item on the foundation’s agenda, supporting socially deprived youngsters in developing career perspectives and in starting training or work.

Since 2003, young adults have had the opportunity to spend a voluntary social year in the cultural sector. For a period of twelve months, young people aged 16–27 can do voluntary work on projects or initiatives for different cultural organisations, such as museums, theatres, foundations, music schools, sociocultural initiatives, and meeting centres. This project has been supported by the ERGO Foundation since 2007.

ERGO Stiftung  
Jugend & Zukunft



Youth Film Workshop St. Pauli

### External links

» ERGO “Youth & Future” Foundation



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## FACTS AND FIGURES

### Comprehensive and transparent

Munich Re aims to report comprehensively and transparently on its performance in the field of corporate responsibility. In this section, we therefore provide detailed figures and compact information.

On the following subpages, we have compiled all the important data and facts relating to Munich Re's corporate responsibility. They include key performance figures and detailed disclosures for the indicators of the Global Reporting Initiative (GRI). The CR portal and the GRI disclosures, including the sector supplement, also constitute our Communication on Progress for the Global Compact.

We additionally report on how our corporate responsibility performance is assessed by actors in the financial markets and what partnerships and initiatives we are engaged in.

#### About the corporate responsibility portal

The corporate responsibility portal presents Munich Re's approach to corporate responsibility. » more

#### Key performance indicators

With reference to the areas of finance, environment and human resources, we detail what indicators are relevant for the management of our corporate responsibility activities and how our performance measures up. » more

#### GRI reporting and Global Compact Communication on Progress

The corporate responsibility portal is based on the guidelines of the Global Reporting Initiative (GRI). The GRI disclosures cover the Communication on Progress for the Global Compact. » more

#### SRI indices, ratings and awards

Munich Re's positive ratings and inclusion in sustainability indices and funds show that we are pursuing a successful corporate responsibility strategy. » more

#### Partnerships, initiatives and foundations

For Munich Re, corporate responsibility means actively taking part in cooperation partnerships and systematically promoting initiatives. » more

#### External links

» ERGO: Facts & figures

FACTS AND FIGURES



About the corporate responsibility portal

The corporate responsibility portal presents Munich Re’s approach to corporate responsibility. We back this up with examples of numerous measures and detailed indicators, and explain the connection between corporate responsibility and our business.

Munich Re follows the guiding entrepreneurial principle of creating lasting value and acting responsibly – we describe concrete steps, measures and associated successes on our corporate responsibility portal. We also report continually on the activities of the entire Group. This includes the business fields reinsurance, primary insurance, Munich Health and MEAG, Munich Re's asset manager.

The measures and activities presented mainly relate to the period 1 January 2011 to 30 April 2012, whereas the key indicators concern the 2011 financial year as at 31 December 2011. The contents of the CR portal are available in German and in English and can be downloaded as a PDF document. This document is simultaneously our Corporate Responsibility Report for 2011. In addition, the PDF document "Corporate responsibility – Brief report 2011/2012" summarises the most important information in 16 pages. ERGO reports on its corporate responsibility as a primary insurer via its own CR portal.

Selected topics – Qualitative and quantitative reporting

To ensure that the CR portal gives a comprehensive picture of our performance, the topics and contents have been selected according to their importance and the interests of our stakeholders. With its database for recording CR-specific information, which was introduced in 2009, Munich Re has increased the proportion of (Group) staff covered to over 65%.

GRI guidelines and Global Compact “Communication on Progress” report

In designing the CR portal, we took as a basis the G3 Guidelines of the Global Reporting Initiative ( » GRI) and the Financial Services Sector Supplement. The GRI has confirmed that the 2011 CR report meets its requirements for detailed reporting – Application Level B. The GRI Indicators and Financial Services Sector Supplement have been compiled in separate GRI disclosures.

The ten principles of the Global Compact provide us with important guidelines for our actions. As a member of the Global Compact, we report regularly on the systems, measures and services which we have already implemented. The CR portal and the GRI disclosures also constitute our annual Communication on Progress report for the Global Compact.

Contact persons

Georg Justus Schwarz, Consultant Corporate Responsibility, is the contact person for the CR portal. Please address your queries and comments to him at » [responsibility@munichre.com](mailto:responsibility@munichre.com)

Editorial note

In texts on the CR portal, we dispense with gender-related redundancies for the sake of better readability.

Related topics

» [GRI and Global Compact](#)

Downloads

- » [Corporate Responsibility Short Report 2011/2012 \(PDF, 2.3 MB\)](#)
- » [Global Reporting Initiative 2011 - Results of the GRI Report \(PDF, 354 KB\)](#)

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## Key performance indicators

With detailed indicators from the areas of finance, environment and human resources, we quantify our performance in the field of corporate responsibility. These form the basis for systematically planning our measures.

### Financial indicators

The financial year 2011 was marked by an exceptional accumulation of severe natural catastrophes. On top of this, we had to contend with the continuing financial crisis and persistently low interest-rate levels. Nevertheless, we achieved a satisfactory result. [» more](#)

### Environmental indicators

As a financial services provider, Munich Re only has a small environmental footprint compared with that of manufacturing companies. Despite this, we are constantly endeavouring to reduce our emissions and cut down on the resources we consume. [» more](#)

### Employee indicators

Highly qualified and motivated staff are key to the success of our business. There are currently more than 47,000 people working at Munich Re. Thanks to their risk knowledge, comprehensive expertise and innovative thinking, our motivated staff create sustained value. This section of the corporate responsibility portal shows the evolution in Munich Re's employee indicators for the period 2009–2011. [» more](#)

#### External links

[» ERGO: Facts & figures](#)

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## Financial indicators (IFRS)

**The financial year 2011 was marked by an exceptional accumulation of severe natural catastrophes. On top of this, we had to contend with the continuing financial crisis and persistently low interest-rate levels. Yet in spite of the adverse circumstances, we achieved a satisfactory consolidated profit.**

In the period under review, our reinsurance business was affected by significant claims costs from major natural catastrophe losses, leading to a reduction in the result.

Despite impairment losses of goodwill amounting to €109m, our primary insurance business posted a higher consolidated result than in the 2010 financial year, thanks to a very good investment result.

The Munich Health segment posted a considerable rise in premium income in 2011. This segment, which covers our health reinsurance business worldwide and our primary health insurance outside Germany, was shown for the first time as a separate segment as per IFRS 8 in 2010. Its business was previously disclosed in the segments “life and health reinsurance” and “health primary insurance”. Minus the business written by Munich Health, the segment “life and health reinsurance” has become simply “life/health reinsurance”. The health primary insurance segment continues to include our German health insurance business and our travel insurance business.

<b>Key figures (IFRS)</b>						
<b>Munich Re Group</b>		<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Gross premiums written	€bn	49.6	45.5	41.4	37.8	37.3
Operating result	€m	1,180	3,978	4,721	3,834	5,573
Taxes on income	€m	-552	692	1,264	1,372	801
Consolidated result	€m	712	2,430	2,564	1,579	3,923
Attributable to minority interests	€m	10	8	43	24	83
Investments	€bn	201.7	193.1	182.2	174.9	176.2
Return on equity	%	3.3	10.4	11.8	7.0	15.3
Equity	€bn	23.3	23.0	22.3	21.1	25.3
Valuation reserves not recognised in balance sheet <sup>1</sup>	€bn	5.7	3.6	3.2	2.5	0.8
Net technical provisions	€bn	181.2	171.1	163.9	157.1	152.4
Staff at 31 December		47,206	46,915	47,249	44,209	38,634
<b>Reinsurance<sup>2</sup></b>		<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Gross premiums written	€bn	26.5	23.6	21.8	21.9	21.5
Investments	€bn	88.7	83.7	76.8	78.4	81.9
Net technical provisions	€bn	64.3	56.6	53.4	55.8	55.5
Large and very large losses (net)	€m	5,126	2,228	1,157	1,507	1,126
Natural catastrophe losses	€m	4,544	1,564	196	832	634
Combined ratio property-casualty <sup>3</sup>	%	113.6	100.5	95.3	99.4	96.4
<b>Primary Insurance<sup>2</sup></b>		<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Gross premiums written	€bn	17.6	17.5	16.6	17.0	17.3
Investments	€bn	123.9	121.8	118.4	114.0	109.3
Net technical provisions	€bn	113.5	111.2	107.7	101.4	96.9
Combined ratio property-casualty	%	97.8	96.8	93.2	90.9	93.4
<b>Munich Health<sup>2</sup></b>		<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Gross premiums written	€bn	6.1	5.1	4.0		
Investments	€bn	5.9	4.1	3.1		
Net technical provisions	€bn	3.4	3.3	2.9		
Combined ratio <sup>4</sup>	%	99.4	99.7	99.4		
<b>Our shares</b>		<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Earnings per share	€	3.94	13.06	12.95	7.74	17.83

### Related topics

- » Environmental indicators
- » Employee indicators

### Downloads

- » Group annual report 2011 (PDF, 11.0 MB)

### External links

- » ERGO: Key financial figures

Dividend per share	€	6.25	6.25	5.75	5.50	5.50
Amount distributed	€m	1,110	1,110	1,072	1,073	1,124
Share price at 31 December	€	94.78	113.45	108.67	111.00	132.94
Munich Re's market capitalisation at 31 December <sup>5</sup>	€bn	17.0	21.4	21.5	22.9	29.0
Book value per share	€bn	129.86	126.31	114.89	106.42	119.33

<sup>1</sup> Including amounts attributable to minority interests and policyholders.  
<sup>2</sup> Before elimination of intra-Group transactions across segments.  
<sup>3</sup> The figure for 2011 is not adjusted for relief of 1.3 percentage points from economic risk transfer to the capital markets.  
<sup>4</sup> Excluding health insurance conducted like life insurance.  
<sup>5</sup> This includes own shares earmarked for retirement.



MUNICH RE >	STRATEGY AND CHALLENGES	MANAGEMENT	SOLUTIONS	COMMITMENT	FACTS AND FIGURES	
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» Home » Facts and figures » Key figures

## Environmental indicators

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

In our reporting on our emissions and consumption of resources, we focus on the main environmental impacts for a financial services provider, namely our consumption of paper, energy and water, the waste we produce, the number of business trips undertaken and our greenhouse gas emissions. The list is constantly being extended and improved to cover additional items and a greater percentage of our staff but, as a result of this broader and enhanced statistical base, there are occasionally retroactive changes in the key figures.

Munich Re's environmental indicators				
Indicator	Unit	2011	2010	2009
Proportion of employees captured by indicator	Percentage of indicators	55	57	48
Proportion of employees captured by certified environmental management system	Percentage of staff	30	20	18
Paper consumption	Per employee in tonnes (t)	0.04	0.03	0.04
Direct energy consumption	Per employee in gigajoules (GJ)	24	22	18
Indirect energy consumption	Per employee in gigajoules (GJ)	22	24	30
Water consumption	Per employee in m <sup>3</sup>	19	18	20
Total direct, indirect and other greenhouse gas emissions (scope 1, 2, 3)	Per employee in tonnes (t)	4.78	4.31	4.89
Waste	Per employee in tonnes (t)	0.25	0.31	0.34
Business trips	Per employee in kilometres (km)	7,623	7,245	7,053
No. of staff as at 31 December		47,206	46,915	47,249

### Related topics

- » Financial indicators
- » Employee indicators
- » Management: Environment

### External links

- » ERGO: Key environmental figures

MUNICH RE >	STRATEGY AND CHALLENGES	MANAGEMENT	SOLUTIONS	COMMITMENT	FACTS AND FIGURES	
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» [Home](#) » [Facts and figures](#) » [Key figures](#)

## Employee indicators

Highly qualified and motivated staff are key to the success of our business. Munich Re currently has more than 47,000 employees. Thanks to their risk knowledge, expertise and innovative thinking, our diligent staff create sustained value. This section of the corporate responsibility portal shows the evolution in Munich Re's employee indicators for the period 2009–2011.

Munich Re employee indicators		2011	2010	2009
Employees		47,206	46,915	47,249
No. of staff by line of business	Reinsurance	11,215	11,370	11,309
	Primary insurance	31,337	30,887	31,145
	Asset management	753	759	788
	Munich Health	3,927	3,899	4,007
Percentage of female staff	Female employees (%)	52	51	50
	Female employees in executive positions (%)	26	24	n.a.*
No. of staff by age	29 and under	4.196	3,155	3,151
	30 to 49	18,548	17,629	17,668
	50 and over	6,716	5,949	6,070
No. of staff by type of employment contract	No. of full-time staff	27,252	22,556	23,033
	No. of part-time staff	4,397	3,981	3,856
Sick leave	Sick leave (%)	4.1	4.3	4.2
Training	Training costs per staff member (€)	1,022	1,036	1,082
	No. of days' training per staff member	3.1	3.4	3.5
Employee turnover rate	Weighted average turnover rate (%)	12.5**	7.5	6.4
Length of service	Weighted average length of service (years)	12.6	13.0	n.a.*

\* Owing to changes in the basis for calculation, there are no comparative figures available.  
\*\* As a result of the greater coverage, 2011 includes companies with a high turnover. Turnover on the basis of 2010 is nearly stable.

**Remarks**  
The figures shown relate on average to 65% of Munich Re's overall staff. Length of service relates to German offices only. Since the data now being used are of greater quality than earlier, the employee turnover rate and length of service have only limited comparability with figures from earlier years. We are steadily extending the amount of employee data in order to cover additional items and thus to improve the reliability of our key figures. As a result of the expanded data base, some of the figures have changed retroactively.

- Related topics
- » [Financial indicators](#)  
» [Environmental indicators](#)  
» [Management: Responsibility towards staff](#)
- External links
- » [ERGO: Key employee figures](#)

MUNICH RE >	STRATEGY AND CHALLENGES	MANAGEMENT	SOLUTIONS	COMMITMENT	FACTS AND FIGURES
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» [Home](#) » [Facts and figures](#)

## GRI reporting and Global Compact Communication on Progress

In preparing the Munich Re corporate responsibility portal, we have taken as a basis the G3 Principles of the Global Reporting Initiative (GRI) and the Financial Services Sector Supplement. Our aim is to make our performance more transparent and comprehensible. Application Level B has been confirmed by the GRI.

In August 2007, Munich Re joined the United Nations Global Compact. The indicators presented in the GRI disclosures simultaneously fulfil the requirements of the annual » [Communication on Progress Report](#). We thus document the measures we have taken to firmly anchor the ten principles of the Global Compact in our operations.

The following tables contain summarised comments on the individual indicators and refer to Munich Re’s CR portal and other publications.

▼ [Strategy, organisation and reporting profile](#)

GRI No./ (GC*)	Performance indicator / Brief answer	Link	Degree of compliance
1.0	Strategy and analysis		
1.1	<p>Statement from the most senior decision-maker of the organisation (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and its strategy</p> <p>For nearly five years now, we have been operating in a crisis-ridden environment. The year 2011 was marked by a massive loss of confidence in the European common currency, with corresponding impacts on the capital markets. On top of this, the insurance industry had to cope with an exceptional accumulation of severe natural catastrophes in 2011, most notably the earthquakes in Japan and New Zealand. Despite these adverse circumstances, Munich Re was able to post a satisfactory result for the year, thus endorsing our strategy geared to creating sustainable value.</p> <p>The bulk of our investments meet the requirements of the United Nations Principles for Responsible Investment (PRI), which Munich Re was the first German company to sign back in 2006. Until recently, a comparable set of rules was lacking for our core business of primary insurance and reinsurance. International principles have therefore been drawn up to fill the gap, again under the umbrella of the United Nations. Munich Re was a driving force in this process, on which it had a material influence. On 19 June 2012, we put our signature to the Principles for Sustainable Insurance (PSI) as one of the founding members. The PSI will serve as a yardstick for the systematic integration of sustainability aspects in our day-to-day business.</p> <p>We are continuing to pursue our other activities in the field of corporate responsibility with undiminished vigour. For example, we have made significant progress with our environmental management system and will achieve carbon neutrality for our global reinsurance operations in the current financial year. We aim to reach this target for the whole Group by 2015 – our headquarters in Munich have been carbon-neutral since 2009.</p> <p>By corporate citizenship, we understand donations, sponsoring and memberships in the charitable and non-profit sector. We have reformulated our guidelines for this area, making them more specific. Thus, support for social and cultural activities will be focused more strongly on our business unit locations in future, while at national and international level we will particularly sponsor projects that have a concrete connection with our business.</p> <p>Different backgrounds and experience result in different individual skills and strengths. With our staff, we therefore attach importance to a balanced structure as far as possible, be it in terms of gender, origin or age, to name just the most important criteria for us in this respect. In the long term, forward-looking staff development planning – and that is basically what "diversity management" entails – will increase our creativity, competitiveness and sustainability, which makes it an indispensable investment.</p>	<b>CR portal</b> » <a href="#">Statement CEO</a>	Full
1.2	<p>Description of key impacts, risks, and opportunities</p> <p>In our core business, too, we are accepting global challenges ranging from climate change to demographic trends, to combating poverty in developing countries. As an insurance company, we can help to deal with these challenges primarily by identifying, assessing and pointing out the associated risks early on, and then offering innovative insurance solutions for them wherever possible.</p>	<b>CR portal</b> » <a href="#">Challenges</a>  <b>Group annual report 2011</b> “Business environment, General parameters”: p. 67 ff. “Risk report, Risk governance and risk	Full

Related topics

» [Strategy: Guiding concept and mission](#)

Download

» [Global Reporting Initiative 2011 - Results of the GRI Report \(PDF, 354 KB\)](#)

External links

» [Global Compact](#)  
» [Global Reporting Initiative](#)

Actions

» [EXPAND ALL](#)  
» [COLLAPSE ALL](#)

		management system”: p. 120 ff. » Download (PDF, 11.0 MB) » Carbon Disclosure Report 2012 (PDF, 144 KB)	
2.0	Organisational profile		
2.1	Name of the organisation  Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München		Full
2.2	Primary brands, products, and/or services  Our integrated business model realises synergies and diversification effects along the whole value chain. This is achieved by our three business fields – primary insurance, reinsurance and Munich Health as the third pillar for the challenges of the global healthcare market – as well as by our asset manager MEAG.  The Group’s reinsurance products include life and health reinsurance, as well as property and casualty reinsurance, which is made up of liability, personal accident, motor, marine, aviation and space, fire, engineering, credit and bonding, and other classes of reinsurance business. Its primary insurance products comprise life and health, property-casualty, travel, and legal expenses insurance, as well as fund products and bank products, consultancy and other services.	<b>Group annual report 2011</b> “Diversified structure – Diversified risk”: Cover page 2; “Munich Re, Structure, Group structure”: pp. 52-57 » Download (PDF, 11.0 MB)  <b>Corporate website</b> (Strategy) » munichre.com  <b>Corporate website</b> (Portrait) » munichre.com	Full
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures  Munich Re is one of the world’s leading risk carriers. Our integrated business model rests on three pillars: reinsurance, primary insurance and Munich Health.  Reinsurance business is organised in six divisions (Life; Europe and Latin America; Germany, Asia Pacific and Africa; Special and Financial Risks; Global Clients and North America) and Munich Health.  Primary insurance business in Germany is divided into the segments life, health and property-casualty. This is supplemented by international business.  MEAG manages Munich Re’s assets and offers investment products for private clients and institutional investors.	<b>Group annual report 2011</b> “Munich Re, Structure, Group structure”: pp. 52-57; “List of shareholdings...”: pp. 277-287 » Download (PDF, 11.0 MB)	Full
2.4	Location of organisation's headquarters  Munich, Germany		Full
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report  <b>Munich Re</b> (reinsurance) operates worldwide and is represented in Africa, Asia, Australia and New Zealand, Europe, Latin America and North America.  The <b>ERGO Insurance Group</b> (primary insurance) is represented in over 30 countries, with the focus on Europe and Asia. Its most important European markets besides Germany are the Baltic States, Italy, Poland and Turkey.  <b>Munich Health</b> has 26 locations throughout the world, servicing clients in over 40 countries. Munich Health’s decentralised organisation is managed from four regional hubs in Abu Dhabi, Princeton, Singapore and Munich.  <b>MEAG</b> invests at the international capital markets. Besides its headquarter in Germany MEAG operates also in New York and Hong Kong.	<b>Group annual report 2011</b> “Munich Re’s global presence”: cover 4 » Download (PDF, 11.0 MB)  <b>Websites</b> » Munich Re (Reinsurance) » ERGO » Munich Health » MEAG	Full
2.6	Nature of ownership and legal form  Munich Reinsurance Company is a joint-stock company (Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München).	<b>Group annual report 2011</b> “Munich Re shares”: p. 10 ff » Download (PDF, 11.0 MB)  <b>Website</b> (Shareholder profile) » munichre.com	Full
2.7	Markets served  Munich Re engages in insurance and reinsurance businesses worldwide. It also provides asset management services. Munich Re serves institutional investors, small and medium-sized businesses and private clients. The company offers its services through its branches and subsidiaries in the United States, Canada, Poland, Italy, India, the United Kingdom, France, Spain, China, Korea, Hong Kong, Singapore, Malaysia, Switzerland, South Africa, Australia, New Zealand, and internationally.	<b>Group annual report 2011</b> “Munich Re’s global presence”: cover 4 » Download (PDF, 11.0 MB)	Full

2.8	<p>Scale of the reporting organisation</p> <p>On 31 December 2011, the number of staff employed by Munich Re (Group) was 47,206.</p> <p>Consolidated result: €712m</p> <p>Analysis of our capital structure: Munich Re's capital structure is essentially governed by its activity as an insurer and reinsurer. Investments on the assets side of the balance sheet serve mainly to cover technical provisions (75.4% of the balance sheet total). Equity (9.4% of the balance sheet total) and bonds classified as strategic debt (2.0% of the balance sheet total) are the most important sources of funds.</p> <p>Number of products and services offered: Munich Re is one of the world's leading risk carriers. The Group's business operations cover the whole value chain of insurance and reinsurance. Munich Re is also active in the field of asset management.</p>	<p><b>Group annual report 2011</b>  "Business performance": p. 72 ff.  "Financial position": p. 103 ff.  "Consolidated financial statements": p. 149 ff.  » <a href="#">Download (PDF, 11.0 MB)</a></p>	Full
2.9	<p>Significant changes during the reporting period regarding size, structure, or ownership</p> <p>Munich Re successfully concluded the acquisition of the US Medicare provider Windsor Health Group Inc., thus strengthening Munich Health's position in the US healthcare market.</p>	<p><b>Group annual report 2011</b>  "Munich Re, Structure, Group structure": p. 52 ff.  » <a href="#">Download (PDF, 11.0 MB)</a></p>	Full
2.10	<p>Awards received in the reporting period</p> <p>Munich Re won a range of awards in 2011, e.g. first place in Newsweek's Green Ranking. For further information, please refer to » <a href="#">SRI indices, ratings and awards</a>, which provides a selection of the awards and prizes conferred on Munich Re in the reporting period.</p>	<p><b>CR portal</b>  » <a href="#">SRI indices, ratings and awards</a></p>	Full
3.0	<b>Report parameters</b>		
3.1	<p>Reporting period for information provided</p> <p>On its corporate responsibility (CR) portal, Munich Re mainly presents the CR-specific measures taken and successes achieved in the reporting period 1 January to 31 December 2011. The editorial deadline was 1 May 2012. Measures taken up to that date in 2012 in a number of units have been included in the portal. On the homepage of the CR portal, Munich Re also reports regularly on the latest significant developments in the area of corporate responsibility. Unless otherwise specified, the quantitative data on the portal relate to the period 1 January to 31 December 2011.</p>	<p><b>CR portal</b>  » <a href="#">About CR portal</a>  » <a href="#">Corporate responsibility news</a></p>	Full
3.2	<p>Date of most recent previous report</p> <p>The last CR report was published on the CR portal in July 2012.</p>		Full
3.3	<p>Reporting cycle</p> <p>Annual</p>		Full
3.4	<p>Contact point for questions regarding the report and its contents</p> <p>Georg Schwarz » <a href="mailto:responsibility@munichre.com">responsibility@munichre.com</a></p>	<p><b>CR portal</b>  » <a href="#">Contact</a></p>	Full
3.5	<p>Process for defining report content</p> <p>Munich Re cultivates ongoing, open and constructive communication with its stakeholders. Munich Re's main stakeholders are its shareholders, staff, clients, analysts, rating agencies, the media/press, scientists, non-governmental organisations, politicians, trade unions, initiatives/associations, interested members of the public and society at large.</p> <p>Our stakeholders' main expectations are the basis for the topics chosen for the CR portal. Our stakeholders' core concerns are ascertained by means of regular dialogue and through studies as well as surveys. Our materiality process materiality process for this year was conducted with a defined small stakeholder group.</p>	<p><b>CR portal</b>  » <a href="#">Stakeholder dialogue</a></p>	Full
3.6	<p>Boundary of the report (e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)</p> <p>The CR portal covers the Munich Re (Group) as a whole.</p>	<p><b>CR portal</b>  » <a href="#">About CR portal</a></p>	Full
3.7	<p>State any specific limitations on the scope or boundary of the report</p> <p>The CR portal addresses the most important and relevant activities in the field of Munich Re's corporate responsibility.</p>	<p><b>CR portal</b>  » <a href="#">About CR portal</a></p>	Full
3.8	<p>The basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations</p> <p>In accordance with the guidelines outlined in the Global Reporting Initiative (GRI), the information on the CR portal covers all</p>	<p><b>CR portal</b>  » <a href="#">Key figures</a></p>	Full



companies in which Munich Re has a controlling interest. The key figures relating to Munich Re's employees were increased for human resources up to approximately 62% and the environmental sector up to 87%. All other information presented in the key figures refers to the Group as a whole.

3.9	<p>Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report</p> <p>In 2009, Munich Re decided to expand its environmental data base and collect data and information relevant to CR Group-wide using a special CR software solution. In 2012, the emission factors were updated in line with the new Greenhouse Gas Protocol, so that all environmental figures were recalculated. The indicators selected are geared to the international guidelines of the Global Reporting Initiative (GRI) and include the sector supplement for financial service providers, the ten principles of the UN Global Compact and the key performance indicators defined by us. Our software has increased the proportion of (Group) staff covered from around 62% to 87%. To derive the environmental data for the Group as a whole, all data were extrapolated to 100% of staff. The staff coverage for human resources relates to approximately 62%.</p>	<p><b>CR portal</b> » Key figures</p>	Full
3.10	<p>Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g. mergers/ acquisitions, change of base years/periods, nature of business, measurement methods)</p> <p>We generally report on the past three years in order to show the development of performance indicators. Environmental footprint figures and HR-related figures we report in 2012 may differ from figures reported in 2011 for the reporting period 2010. This is due to the implementation of a new database (SoFi) in 2010, the elimination of errors in last year's figures and improved data quality, as well as to changes in emission factors resulting from the GHG protocol.</p>	<p><b>CR portal</b> » Key figures</p>	Full
3.11	<p>Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report</p> <p>In the case of the CR data, the information gathered in the Group has been expanded compared with previous years. Thus we have collected data for more employees than in previous years. At present, we record data at our main sites and use current international standards for calculating our environmental data, e.g. the Greenhouse Gas Protocol and GRI. We cover approximately 87% of Group employees here as well, although EMS data coverage is lower (~55%) and still has to be continuously increased.</p>		Full
3.12	<p>Table identifying the location of the standard disclosures</p> <p>The following table provides information on the indicators reported on.</p>		Full
3.13	<p>Policy and current practice with regard to seeking external assurance for the report</p> <p>Transparent reporting is based on valid, plausible data. Our Group-wide software system SoFi encompasses all CR-relevant Group data, which are collected in a defined process. A dedicated network of data providers has been set up for this purpose. We are continuously expanding the system's degree of coverage. As a first step, we have had our environmental management system certified (according to ISO 14001) at a number of sites and increased the proportion of employees captured by the indicator. In addition, environmental data have been validated by an external auditor for Munich Re Munich and DKV Seguros.</p>		Not reported

▼ Governance, commitments and engagement

GRI-No./ (GC*)	Performance indicator / Brief answer	Link	Degree of compliance
4.0	Governance, commitments and engagement		
4.1	<p>Governance</p> <p>Munich Reinsurance Company is a joint-stock company ("Aktiengesellschaft") under the German Stock Companies Act. It has three governing bodies: the Board of Management, the Supervisory Board and the Annual General Meeting. Their functions and powers derive from the relevant legal provisions, the co-determination agreement and the Articles of Association, which are published on Munich Re's website.</p>	<p><b>Group annual report 2011</b> "Corporate governance report and corporate governance statement": pp. 27–32 » Download (PDF, 11.0 MB)</p> <p><b>Corporate website</b> (Articles of Association) » munichre.com</p>	Full
4.2	<p>Indicate whether the Chair of the highest governance body is also an executive officer</p> <p>Dr. Hans-Jürgen Schinzler, the Chairman of Munich Re's Supervisory Board, is not the Chairman of Munich Re's Board of</p>	<p><b>Group annual report 2011</b> "Governing bodies of Munich Re": pp. 63–66 » Download (PDF, 11.0 MB)</p>	Full

	Management.		
4.3	<p>For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members</p> <p>This is not relevant since Munich Re has a Supervisory Board and a Board of Management. According to the given G3 definition, this indicator is only material for organisations without a supervisory board.</p>		Does not exist
4.4	<p>Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body</p> <p>Munich Re offers institutional investors, private investors and employees a range of opportunities for input in the decisions taken. These include annual general meetings, a shareholder hotline, a suggestion scheme and blogs. Munich Re was one of the first of DAX 30 companies to offer its shareholders a postal vote for the annual general meeting and the possibility to participate in the meeting via livestream. Shareholders are thus able to benefit from recent German legislation and vote on items of the agenda at the annual general meeting without necessarily being present.</p>	<p><b>Website</b> (Investor &amp; Rating Agency Relations) » <a href="http://munichre.com">munichre.com</a></p>	Full
4.5	<p>Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organisation's performance</p> <p>The remuneration systems of all governing bodies and executive managers are strongly geared to Munich Re's long-term value creation and contain a fixed and a variable component. The individual three-year objectives (2012–2014) are partially linked to environmental, social or governance metrics and targets. This makes up about 3% of the total remuneration. Readers are referred to our detailed remuneration report for further information on Munich Re's remuneration systems.</p>	<p><b>Group annual report 2011</b> "Remuneration report": p. 32 ff. » <a href="#">Download (PDF, 11.0 MB)</a></p>	Full
4.6	<p>Processes in place for the highest governance body to ensure conflicts of interest are avoided</p> <p>A dual management system is prescribed by law for German joint-stock companies. It is this division into strategic and operative management on the one hand and monitoring, control and consulting on the other that provides for independent supervision of the Board of Management by the Supervisory Board. In addition, the number of independent members of the Supervisory Board is always as high as possible. Munich Re also follows the recommendations of the German Corporate Governance Code. Members of the Supervisory Board inform the Supervisory Board without delay of emerging conflicts of interest. No member of the Supervisory Board is a member of a governing body of one of Munich Re's main competitors. The Board of Management is also obliged to adhere to strict rules for addressing conflicts of interest (for instance, in order to avoid such conflicts and for the purpose of creating transparency).</p>	<p><b>Corporate website</b> (Code of Conduct) » <a href="http://munichre.com">munichre.com</a></p> <p><b>CR portal</b> » <a href="#">Corporate governance</a></p>	Full
4.7	<p>Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics</p> <p>The Supervisory Board's Nomination Committee is responsible for finding suitable candidates for the Supervisory Board to propose to the Annual General Meeting for election. The basis for the Nomination Committee's work is a detailed catalogue of criteria formulating the technical and personal standards that candidates must fulfil. The indispensable personal criteria include a commitment to Munich Re's aim of a long-term and sustained increase in value. The Supervisory Board's Personnel Committee has comparable criteria. It prepares the appointment of members of the Board of Management and, together with the Board of Management, concerns itself with long-term succession planning. The unit of corporate responsibility is part of Munich Re's group development and is therefore overseen by the CEO.</p>	<p><b>Group annual report 2011</b> "Board of Management": p. 27 ff. » <a href="#">Download (PDF, 11.0 MB)</a></p>	Full
4.8	<p>Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation</p> <p>It is an integral part of Munich Re's business model as a global insurance group to adopt a forward-looking and responsible approach throughout our organisation. In 2011, we further strengthened our CR approach when the Board of Management approved a Group-wide CR strategy. This contains a new CR mission statement valid Group-wide: CR is an integral part of our corporate strategy and relevant for all business areas and operations. The mission statement rests on the three pillars (1) CR in business, (2) the environmental management system and (3) corporate citizenship.</p> <p>The Munich Re Code of Conduct sets out what we understand by legally impeccable behaviour, based on ethical principles, specifying high-level ethical and legal requirements that must be met by every employee, as well as our shared responsibility</p>	<p><b>Corporate website</b> (Code of Conduct) » <a href="http://munichre.com">munichre.com</a></p> <p><b>ERGO website</b> (Code of Conduct) » <a href="http://ergo.com">ergo.com</a></p> <p><b>CR portal</b> » <a href="#">Mission</a> » <a href="#">Compliance</a></p>	Full

towards the public, our business partners and ourselves. It serves as the basis for specific » **codes of conduct** within the Group (e.g. ERGO) and it contains regulations that are binding on all Munich Re employees including the management. Each of these codes is a basis for the observance of further » **compliance rules** within all Munich Re units. Environmental protection is also part of the codes of conduct. Besides this, a special code of conduct for the sales agents of ERGO was implemented in the course of 2011 as part of their employment contract. Brokers in reinsurance will also have their own code of conduct by 2012.

Our codes of conduct cover the entire reinsurance group (as well as Munich Health) and about 98% of ERGO employees.

Beyond this, the Munich Re Group acts in accordance with the ten principles laid down in the United Nations » **Global Compact**, of which we became a signatory in September 2007. Furthermore, we were the first signatory of the Principles of Responsible Investment (PRI) and signed the Principles for Sustainable Insurance in July 2012.

4.9	<p>Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles</p> <p>In 2008, we assigned the field of corporate responsibility to a separate unit at our Munich headquarters. This unit is incorporated in the Group Development Division, which is responsible for developing and implementing Group CR strategy and reports directly to the Chairman of the Munich Re Board of Management. Since 2011, an annual evaluation report on corporate responsibility has been submitted to the Board of Management.</p> <p>The Board of Management requires reports on sustained value creation from various other units, e.g. from Integrated Risk Management (whose responsibilities include emerging risks) or the new established Emerging Risks Think Tank. Reputational risks are monitored by various internal units and are reported to the Compliance Officer and, if necessary, to the Reputational Risk Committee (RRC). The RRC consists of experts from various units and is headed by the Compliance Officer. The Supervisory Board monitors Munich Re's management, with particular focus on long-term increase in corporate value.</p>	<p><b>Group annual report 2011</b> "Report of the Supervisory Board": pp. 21–25 » Download (PDF, 11.0 MB)</p> <p><b>CR portal</b> » Strategy &amp; challenges » Corporate governance</p>	Full
4.10	<p>Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance</p> <p>The Supervisory Board monitors Munich Re's management and the long-term increase in corporate value. Our remuneration system is strongly geared to sustained increase in value, and the amount of remuneration paid to each Board member reflects their performance in achieving this.</p>	<p><b>Group annual report 2011</b> "Board of Management": p. 27 ff. » Download (PDF, 11.0 MB)</p>	Full
4.11 (7)	<p>Explanation of whether and how the precautionary approach or principle is addressed by the organisation</p> <p>Munich Re's commitment to the precautionary principle is reflected in its sophisticated risk management. The development of its risk strategy is embedded in the annual planning cycle, and hence in our business strategy. The risk strategy is approved by the Board of Management and discussed regularly with the Supervisory Board. Furthermore, our internal control system (ICS) is a uniform worldwide system for managing operational risks integrated across all risk dimensions and areas of the Group. It both meets Group management needs and complies with local regulations.</p>	<p><b>Group annual report 2011</b> "Risk report": p. 120 ff. » Download (PDF, 6.9 MB)</p> <p><b>CR portal</b> » Risik management</p> <p><b>Website</b> (Risik management) » munichre.com</p>	Full
4.12	<p>Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses</p> <p>We are convinced that our business concept can only be successfully realised in the future through sustainable and responsible action. To make our understanding of the relevant values clear inside and outside our Group, Munich Re joined the United Nations Global Compact in August 2007. The ten Global Compact principles offer us important action guidelines for anchoring corporate responsibility even more firmly in the processes relating to our core business. As a signatory to the German Charter of Diversity (Charta der Vielfalt), Munich Re also endeavours to set an example in fairness and mutual respect within companies.</p> <p>In April 2006, Munich Re became the first German company to sign the UN Principles for Responsible Investment (PRI), which we played a prominent role in helping to establish. As a leading member of the Principles for Sustainable Insurance (PSI) Working Group, we have been actively promoting and supporting the efforts to establish a common framework of principles for the insurance industry, which we duly signed in June 2012.</p> <p>The following are specific examples of some of the initiatives and partnerships we have launched or supported financially and/or</p>	<p><b>CR portal</b> » Memberships and cooperations » Principles for Responsible Investment » Principles for Sustainable Insurance</p>	Full

contributed content to: Desertec Industrial Initiative, Munich Climate Insurance Initiative (MCII), the Global Earthquake Model.

In addition, Munich Re's companies have made national commitments.

4.13	<p>Memberships in associations and/or national/international advocacy organisations</p> <p>Munich Re is member in and actively contributes to numerous associations, interest groups and organisations. These include the German Insurance Association (GDV), the German Insurance Employers' Association, UNEP FI Insurance Commission and Climate Working Group, PRI Principles for Responsible Investment, PSI Principles for Sustainable Insurance, Global Earthquake Model (GEM), World Economic Forum Geneva, Stifterverband für die Deutsche Wissenschaft (innovation agency of the German business community for the promotion of science and learning), Global Climate Forum, International Insurance Society, German Industry Union (BDI), Carbon Disclosure Project, European Insurance CFO Forum, European Severe Storms Laboratory (ESSL), Institute for Economic Research of the University of Munich and the Munich Climate Insurance Initiative (MCII).</p>	<p><b>CR portal</b> » Memberships and cooperations</p>	Full
4.14	<p>List of stakeholder groups engaged by the organisation</p> <p>The main Munich Re stakeholder groups are shareholders, staff, clients (including brokers), analysts, investors, rating agencies, media/press, scientists, non-governmental organisations (NGOs), representatives from politics and administration, trade unions and interested members of the public.</p>	<p><b>CR portal</b> » Stakeholder dialogue</p>	Full
4.15	<p>Basis for identification and selection of stakeholders with whom to engage</p> <p>Munich Re has always placed great emphasis on transparency and dialogue with its stakeholders. These mainly include our insurance and reinsurance clients, the media and general public, our employees, and capital market players, as well as NGOs, political entities and trade unions. Identification and selection of stakeholders are the responsibility of different departments: Investor Relations (investors and analysts, rating agencies); Group Development – Corporate Responsibility (society, SRI contacts); Group Communications (NGOs, press relations, media); Human Resources (employees); business units (customers).</p>	<p><b>CR portal</b> » Stakeholder dialogue</p>	Full
4.16	<p>Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group</p> <p>Communication with our stakeholders – at local, national and international level – is our basis for responsible action. Our stakeholders' suggestions and comments constitute valuable input for Munich Re. We are committed to creating added value for both sides with our dialogue-based approach.</p> <p>Responsibility for stakeholder engagement is therefore decentralised, ensuring frequent in-depth-engagement: Investor Relations (investors and analysts, rating agencies); Group Development – Corporate Responsibility (society, SRI contacts, academia); Group Communications (NGOs, media relations); Human Resources (employees, universities); business units (customers).</p> <p>Our corporate strategy aimed at a sustained increase in value is accompanied by ongoing and open communication with all capital market participants, focusing on our investors and shareholders, both current and future.</p> <p>One example: The main task of Investor Relations at Munich Re is to specifically approach investors, cultivating contact with existing shareholders and gaining new ones. At the same time, we ensure that due account is taken of our investors' opinions in internal discussion and decision-making processes. We have again achieved good results in insurance-sector rankings for the quality of investor relations management, winning recognition for the consistency and transparency of our reporting. All the presentations we use in our meetings with analysts and investors and in our conferences and road-shows are published on the internet, and we are happy to send these to interested shareholders on request. Many of our events are transmitted live via web-streaming.</p>	<p><b>CR portal</b> » Stakeholder dialogue</p>	Full
4.17	<p>Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through reporting</p> <p>The different expectations and needs of the stakeholder groups are ascertained by means of ongoing direct dialogue and through studies and surveys/questionnaires. For instance, client surveys are carried out regularly and their results critically reviewed. One of our stakeholders' prime concerns is the need for transparency, which Munich Re addresses through various communication measures. A specific example is the topic of climate change, which is dealt with on our website and in various publications (e.g. Key focus: Climate change).</p>	<p><b>CR portal</b> » Stakeholder dialogue</p>	Full



▼ Economic performance indicators

GRI No./ (GC*)	Performance indicator / Brief answer	Link	Degree of compliance
EC (1, 4, 6, 7)	<p>Management approach</p> <p>Turning risk in a sustainable way into value – that is what Munich Re has been doing successfully for more than 130 years. As an integrated insurance and reinsurance group, Munich Re adopts an international and interdisciplinary approach with a view to finding solutions that are viable for the future.</p> <p>Analysing and carrying complex risks requires expertise in many disciplines.</p> <p>The year 2011 was dominated by the worsening of the sovereign debt crisis in the eurozone, the debate about the creditworthiness of the USA , and the natural and nuclear disaster in Japan.</p>	<p><b>Group annual report 2011</b> “Our strategy”: p. 15 ff. » Download (PDF, 11.0 MB)</p>	Full
EC1	<p>Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments</p> <p><b>Summary of the figures for the financial year 2011</b> The Group recorded a good operating result of €1,180m (2010: 3,978m). Our return on risk-adjusted capital (RORAC) totalled 3.2% for the 2011 financial year, compared with 13.5% in the previous year. The figure was thus far below our long-term target of 15%, mainly due to very high major-loss expenditure and significant write-downs of investments. Because the deterioration in the result was attributable to the difficult environment rather than a sustained impairment of our profitability, we maintained our dividend unchanged at €6.25 per share. Our profit distribution thus remained at a high level. Positively influencing the development of Group equity, retained earnings amounted to €11,588m (2010: €10,735m).</p> <p><b>Personnel expenses</b> The following personnel expenses are included in the operating expenses, in the expenses for claims and benefits (for claims adjustment) and in the investment result (please see Group annual report, page 268): Breakdown of personnel expenses in 2011 Wages and salaries: €2,532m Social security contributions and employee assistance: €457m Expenses for employees' pensions: €214m Total: €3,203m</p> <p><b>Donations and social investment</b> Corporate Citizenship funding: € 6,710,681</p> <p>Therein included are political contributions/donations and the project funding of our three company foundations. In 2011, Munich Re donated the sum of € 170,342 to the five main German political parties, including donations to their relevant political organisations. From 2011 on, political donations have been evenly and transparently distributed across all non-extreme parties, so that these form part of our corporate citizenship.</p> <p>The projects and activities of Munich Re's three foundations (Munich Re Foundation, Dr. Hans Jürgen Schinzler Foundation, and the ERGO Foundation "Youth&amp;Future") show how we can provide active support and deliver effective solutions for global, social and scientific challenges. Project funding of the three foundations: € 1,679,628</p>	<p><b>Group annual report 2011</b> “Key figures (IFRS)”: cover page 2; “Business performance”: p. 72 ff.; “Notes to the consolidated income statement”: p. 238 ff. » Download (PDF, 11.0 MB)</p>	Full
EC2 (7)	<p>Financial implications and other risks and opportunities for the organisation's activities due to climate change</p> <p>Munich Re's core business is to cover risks, including climate change risks. Since climate change modifies the probable distribution of weather-related losses, it can directly affect our business.</p> <p>As a global risk carrier, we therefore have to factor the risk changes into our underwriting, and have our own team of geo risks experts that constantly updates our knowledge of the direct impacts of climate change. We have set up climate-change early-warning systems and teams to monitor signs of any effects the phenomenon may be having on society, the environment, the economy and our political and legal systems. This enables us to deliver the right solutions for clients, even in the face of climate change. Munich Re aims to address global warming proactively and exploit the opportunities that climate protection offers.</p> <p>To address the physical effects of climate change on our clients, we are developing insurance covers or other risk solutions. This is part of our usual business activities, and hence does not impose additional costs. On the other hand, climate change and its related implications will lead to a general increase in demand for insurance solutions and consultancy services. This will result in new business</p>	<p><b>CR portal</b> » Insurance solutions for renewable energies » Power from the desert » Project RENT » Climate change » Solutions</p> <p><b>Group annual report 2011</b> “Climate change”: p. 137 ff. » Download (PDF, 11.0 MB)</p> <p><b>Website</b> (Climate change) » munichre.com</p>	Full



	<p>potential for Munich Re. Our insurance products are customer-tailored and differ widely according to the client's needs and the specific risk. Climate change is part of risk assessment and cannot be isolated from the overall product and pricing. We are unable to make any quantitative assessments at this point in time.</p>		
EC3	<p>Coverage of the organisation's defined benefit plan obligations</p> <p>Munich Re companies generally give commitments to their staff in the form of defined contribution plans or defined benefit plans. The type and amount of the pension obligations are determined by the conditions of the respective pension plan. In general, they are based on the staff member's length of service and salary. Company pensions are a central component of our human resources policy.</p>	<p><b>Group annual report 2011</b>  “Other accrued liabilities”: p. 183 f.  » Download (PDF, 11.0 MB)</p>	Full
EC4	<p>Significant financial assistance received from government</p> <p>None</p>		Full
EC5 (1)	<p>Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation</p> <p>As the majority of staff in the financial services industry are highly skilled, minimum wages are practically immaterial. Munich Re salaries are substantially above the local minimum wage levels. In general, Munich Re pays wages that are higher than the local minimum wages (where they exist). In 2011, it paid € 2,532m in salaries and wages (excluding social security, pension benefits).</p>		Full
EC6	<p>Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation</p> <p>As our core business has separate business lines (reinsurance and primary insurance), we also have two units in charge of handling our procurement processes. Both of them have Group-wide responsibility for their business line and they work closely together in order to exchange know-how and exploit synergies. Activities are based on the same principles, but with local freedom of application. Throughout the Group, adherence to the highest ethical and environmental standards is axiomatic and is clearly stipulated in our Code of Conduct.</p> <p><b>Reinsurance</b>  Munich Re (Munich) established its Central Procurement (CP) Division in 2008 with the intention of implementing a global procurement network and formalising Group-wide policies for the reinsurance group. CP is responsible for preparing, updating and ensuring compliance with all purchasing rules, guidelines and processes across the Munich Re reinsurance group. An internal guideline stipulates the inclusion of a corporate responsibility clause in all new or renegotiated contracts. This clause requires our business partners to comply with UN Global Compact principles. We see it as our duty to extend this commitment to our suppliers and appeal to them to observe these principles and standards, which are as follows:</p> <ol style="list-style-type: none"> <li>1. Complying with the relevant laws</li> <li>2. Adhering to the basic principles of human rights, labour law, environmental protection and anti-corruption <ol style="list-style-type: none"> <li>2.1 Protecting human rights</li> <li>2.2 Complying with labour standards</li> <li>2.3 Contributing to environmental protection</li> <li>2.4 Stopping corruption</li> </ol> </li> <li>3. Applying these principles to the supply chain</li> </ol> <p>The corporate responsibility clause is currently only applicable at our Munich headquarters, covering approx. 90% of overall spending, but will be implemented further through a graduated scheme.</p> <p><b>Primary insurance</b>  The ERGO Purchasing Guideline for Work and Services is mandatory for all supplier relationships. Among other important aspects, it outlines that for a formal tender, a self-disclosure by the provider is mandatory before it becomes a supplier. Furthermore a detailed supplier self-disclosure (including various questions related to environmental aspects and environmental certificates) is required for a purchasing volume of €1m or more.</p>		Full
EC7 (6)	<p>Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation</p> <p>Munich Re complies with the applicable local laws and regulations and has specific procedures for hiring from local communities. The same procedures apply for all hiring sources, but specific workforce situations may determine individual hiring processes. Our staff are recruited primarily on the local labour market unless a shortage of people with appropriate skills obliges us to look elsewhere – nationwide or on an international level. Our senior executives are selected on the basis of their experience and knowledge of the specific market and most are therefore recruited locally. Beyond this, most members of our Board of Management started their career within Munich Re. Jobs in our international organisation are advertised on our global intranet and we operate a talent</p>	<p><b>CR portal</b>  » Training and development</p>	Full

	development programme under which specialist and management staff at all levels are temporarily seconded to Munich Re offices in other countries.		
EC8	<p>Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement.</p> <p>As an internationally operating group, Munich Re accepts its responsibility towards the communities in which we live and work, investing in projects that have a positive impact on the infrastructure and therefore serve the public interest.</p> <p>Structural or economic change processes, such as those resulting from climate change, new legislation, more complex supply chains or outsourcing, offer new opportunities. For instance, our reinsurance activities support the development of new energy infrastructure projects. We provide innovative performance guarantee covers for photovoltaic modules that offer manufacturers better security, and provide more financing choices for their customers, such as solar parks.</p> <p>In close collaboration with important players (e.g. MFIs, NGOs), Munich Re is also active in the microinsurance segment. We analyse selected markets and develop insurance solutions that meet commercial requirements by simultaneously helping the disadvantaged to achieve access to adequate financial solutions. Examples are described on the CR portal as well as in the Executive Summary.</p> <p>In general we apply two approaches:</p> <ol style="list-style-type: none"> <li>1. Public-private partnerships (PPP), e.g. CLIMBS</li> <li>2. Microinsurance, e.g. HDFC ERGO</li> </ol> <p>The Dr. Hans-Jürgen Schinzler Foundation and the Munich Re Foundation are actively engaged in pro bono and community investments.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Insurance solutions for renewable energies</li> <li>» Munich Climate Insurance Initiative</li> <li>» CLIMBS</li> <li>» ERGO microinsurance</li> </ul>	Full
EC9	<p>Understanding and describing significant indirect economic impacts, including the extent of impacts</p> <p>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.</p> <p>Renewable energies: The principal risk drivers for investments in renewable energies are technology and geographical factors. Assessing these risk drivers is the daily business of our insurance experts. One of the key objectives of the RENT (Renewable Energies and New Technologies) initiative is therefore to use this know-how as a basis for investment decisions. As part of this investment programme, MEAG is investing in German power grids and solar plants in Italy and Spain. By the end of 2011, around €500m of the €2.5bn target had been invested in this way.</p> <p>Climate change: Munich Re is a financial and insurance sector leader in the field of climate-change analysis. We are continuing to enhance the competence we have built up over the years, for instance by introducing measures and solutions mitigating the impacts of climate change and developing new coverages facilitating climate change adaptation. At the same time, we are taking steps to avoid greenhouse gas emissions in our own business operations, one of our major objectives being to achieve carbon neutrality in our reinsurance operations worldwide by 2012 and at Group level by 2015.</p> <p>For more information, please see the following link » challenges in detail: climate change, globalised financial markets, demographic change, access to financial solutions.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Insurance solutions for renewable energies</li> </ul>	Full

▼ Environmental performance indicators

GRI-No./ (GC*)	Performance indicator / Brief answer	Link	Degree of compliance
EN (7–9)	<p>Management approach</p> <p>Preserving our natural resources is part of corporate responsibility management, as our economic success is inseparably linked with protecting people, the environment, and physical resources. We aim to reduce as far as possible the environmental impact arising from our business operations as well as to sensitise our staff to the relevant issues.</p> <p>Besides complying with statutory provisions and the principles of the UN Global Compact, we also need to pay particular attention to consistently avoiding waste and emissions, as well as to reducing our energy, paper and water consumption. We are seeking to achieve our goals in accordance with the highest technical standards wherever economically feasible.</p> <p>Munich Re (Reinsurance) in Munich, ERGO in Germany, D.A.S. in</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Environmental commitment</li> <li>» Environmental management</li> <li>» Climate protection</li> <li>» Operational ecology</li> <li>» Environmental indicators</li> <li>» Mission</li> </ul>	Full

the UK and DKV Seguros in Spain have applied a systematic approach to keeping our impact on the environment to an absolute minimum by implementing environmental management systems certified to ISO 14001 at several sites.

Munich Re's new corporate responsibility database increases our (Group) staff coverage of general data from approximately 62% to 87%. To derive the environmental data for the Group as a whole, all data have been extrapolated to 100% of staff. Greenhouse gas emissions have been determined on the basis of the Greenhouse Gas Emission Protocol (GHG). Emission factors were updated this year according to new requirements of the GHG – therefore, all figures have been recalculated.

In keeping with the carbon neutral strategy we adopted in 2007, our offices in Munich became carbon-neutral in 2009. The international reinsurance group as a whole is set to follow suit in 2012, that is to say, greenhouse gas emissions caused by our business operations will be reduced to a minimum and unavoidable emissions compensated for by means of emission certificates. Through our new mission statement (approved by our Board of Management in 2011), we acknowledge the importance of environmental protection and describe/specify our goal. This serves as our basic understanding and is included in a Group-wide climate neutrality strategy approved by the Board of Management in 2011.

Our Group-wide strategy and target is for the whole Munich Re Group to reduce CO2e emissions by 10% per employee by 2015 (by means of our EMS and on the baseline of 2009 emissions) and furthermore to become carbon-neutral.

EN1 (8)	<p>Materials used by weight or volume</p> <p>We consumed 2,057 tonnes of paper in 2011.</p>	<p><b>CR portal</b></p> <p>» Operational ecology</p> <p>» Environmental indicators</p>	Full
EN2 (8, 9)	<p>Percentage of materials used that are recycled input materials</p> <p>58% of paper consumed in 2011 was recycled.</p>		Full
EN3 (8)	<p>Direct energy consumption by primary source</p> <p>We consumed 1,146,028 gigajoules of direct energy in 2011 (mainly heating oil, gas, and diesel for back-up generators), including 322 gigajoules from renewable energy sources.</p>	<p><b>CR portal</b></p> <p>» Climate protection</p> <p>» Operational ecology</p> <p>» Environmental indicators</p>	Partial
EN4 (8)	<p>Indirect energy consumption by primary source</p> <p>We consumed 1,054,930 gigajoules of indirect energy in 2011 (mainly electricity and district heating), including 300,061 gigajoules from renewable energy sources.</p>	<p><b>CR portal</b></p> <p>» Climate protection</p> <p>» Operational ecology</p> <p>» Environmental indicators</p>	Partial
EN5 (8, 9)	<p>Energy saved due to conservation and efficiency improvements</p> <p>Munich Re Group companies resolutely strive to conserve resources and consume less energy, and this is illustrated by the following two examples:</p> <p>At Munich Reinsurance America, a 2.5-MW solar power system was built on a carport structure providing shade for the facility's parking lot and reducing annual electricity costs by almost \$500,000.</p> <p>Additionally, Munich Re also considers green building standards in its real estate management: e.g. Maria-Josepha-Strasse, Munich; 2010. The GreenBuilding certification confirms that a building undercuts the 2007 German Energy Saving Ordinance limit by more than 25% and is awarded to the owners of commercial buildings whose energy-saving designs promote sustainable construction.</p>	<p><b>CR portal</b></p> <p>» Climate protection</p> <p>» Operational ecology</p> <p>» Environmental indicators</p>	Partial
EN6 (8, 9)	<p>Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives</p> <p>Our innovative insurance solutions provide opportunities for our clients to make sustainable investments. We are firmly committed to finding innovative coverage concepts for new and complex risks as well as integrated solutions.</p> <p>Offshore wind parks, solar and geothermal installations and energy-efficiency technologies are possible only if the risks are insured, which is why we keep a close watch on the ever-changing and increasingly complex factors involved. Geothermal power, for example, is a very promising form of renewable energy for a sustainable energy supply. Uncertainty about the success of drilling operations, and therefore their financing, poses problems for investors in geothermal power plants. Munich Re offers productivity risk insurance, thereby making such projects possible.</p> <p>In 2009, our reinsurance group and MEAG set up the RENT (Renewable Energies and New Technologies) project. Since then, experts from the reinsurance group and MEAG have been sounding out the potential for strategic investment in renewable energy and new technologies, the main focus being on non-fossil power generation. Total investment under RENT within the next ten years is projected at up to €2.5bn.</p>	<p><b>CR portal</b></p> <p>» Project RENT</p> <p>» Insurance solutions for renewable energies</p> <p>» Eco-friendly insurance solutions</p> <p>» Investment strategies for responsible investments</p> <p>» Climate protection</p>	Full

Munich Re clients seeking sustainable investment options can also choose from insurance and investment funds such as MEAG's successful Klimastrategie fund, which is made up of a selection of global companies whose operations are designed to curb climate change by cutting carbon emissions or to promote sustainable development.

EN7 (8, 9)	<p>Initiatives to reduce indirect energy consumption and reductions achieved</p> <p>Munich Re is striving to reduce indirect energy consumption by, for example, replacing business trips with telephone and videoconferences where possible.</p> <p>At Munich Reinsurance Company, there is a guideline for car purchase for all company cars in order to focus on climate-friendly vehicles. ERGO informs and sensitises employees via information on eco-efficient driving, and a pilot for an "eco driving course", where drivers learn how to reduce a vehicle's fuel consumption, has been launched. Besides this, there are plans at ERGO for an increased integration of environmental issues in training events and projects for staff to raise awareness and motivation of employees (e.g. alternatives to business travel "Dienst statt Reisen" or with "Bike to Work", hints and links on the ERGO intranet, online training tools, and ERGO carpooling). It is difficult to quantify the reduction of indirect energy consumption for the implemented measures listed.</p>	<p><b>CR portal</b></p> <p>» Climate protection</p> <p>» Operational ecology</p>	Partial
EN8 (8)	<p>Total water withdrawal by source</p> <p>Total water withdrawal at Group-level by source: 907,125 m³ (extrapolated to the employees of the Group, therefore the following figures do not add up to this amount)</p> <p>Rain water: 148 m³</p> <p>Tap water: 514,615m³</p>	<p><b>CR portal</b></p> <p>» Operational ecology</p> <p>» Environmental indicators</p>	Full
EN9 (8)	<p>Water sources significantly affected by withdrawal of water</p> <p>Munich Re companies only use local suppliers.</p>		Full
EN10 (8, 9)	<p>Percentage and total volume of water recycled and reused</p> <p>This indicator is of limited relevance for companies in the insurance sector, since most of their operations are office-based. Therefore no water is recycled nor reused at our sites.</p> <p>Toilets at our offices in Munich are flushed with rainwater.</p>		Not material
EN11 (8)	<p>Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas</p> <p>As a financial services provider, Munich Re only has a small environmental footprint compared with that of manufacturing companies. We are nevertheless constantly working to reduce our emissions and consumption of resources.</p>		Not relevant
EN12 (8)	<p>Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas</p> <p>In our guiding principles for corporate responsibility and our Code of Conduct, we undertake to help protect our natural environment.</p> <p>In our product policy, for instance, we consider climate and other environmental impacts with a view to increasing awareness and influencing behaviour. The biodiversity link arises specifically in connection with liability insurance. Munich Re is working on new covers for biodiversity risks and this will also, for example, have the effect of triggering prevention measures.</p>	<p><b>Download</b></p> <p>» Carbon Disclosure Report 2012 (PDF, 144 KB)</p>	Not relevant
EN13 (8)	<p>Habitats protected or restored</p> <p>No data are available for this indicator due to its limited relevance for companies in the insurance sector.</p>		Not relevant
EN14 (8)	<p>Strategies, current actions, and future plans for managing impacts on biodiversity</p> <p>Munich Re does not have Group-wide strategies in this respect.</p>		Not relevant
EN15 (8)	<p>Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk</p> <p>No data are available for this indicator due to its limited relevance for companies in the insurance sector.</p>		Not relevant
EN16 (8)	<p>Total direct and indirect greenhouse gas emissions by weight</p> <p>Our total direct and indirect greenhouse gas emissions came to 166,472,648 kg CO<sub>2</sub>e (primary energy consumption, electricity, district heating and company cars/vehicle fleet) in 2011.</p>	<p><b>CR portal</b></p> <p>» Climate protection</p> <p>» Environmental indicators</p>	Full
EN17	Other relevant indirect greenhouse gas emissions by weight	<b>CR portal</b>	Full



(8)	Other relevant indirect greenhouse gas emissions totalled 59,185,493 kg CO <sub>2</sub> e (from paper and water consumption, waste, travel) in 2011.		» Environmental indicators																																													
EN18 (7–9)	<p>Initiatives to reduce greenhouse gas emissions and reductions achieved</p> <p>Our Group-wide environmental activities are focused on reducing greenhouse gas emissions, and we adopted a carbon-neutrality strategy for our reinsurance group in 2007. In 2011, this was expanded to the whole Group, which is to become carbon-neutral by 2015.</p> <p>Munich Re (reinsurance) in Munich has been carbon-neutral since 2009, all our international reinsurance operations are set to follow suit by 2012, and the whole Group by 2015 with a reduction of 10% in our emissions globally. To this end, we are pursuing a twofold strategy:</p> <ol style="list-style-type: none"><li>1. To increase energy efficiency and to purchase green electricity rather than a conventional energy mix.</li><li>2. To make up for inevitable emissions through the purchase and/or retirement of emission credits.</li></ol>	<b>CR portal</b> » Climate protection » Environmental indicators	Full																																													
EN19 (8)	<p>Emissions of ozone-depleting substances by weight</p> <p>Use of ozone-depleting substances is not a major issue for us. Although they may be present in our air-conditioning, we have closed-circuit systems, and maintenance work is subject to the requisite precautions, preventing the release of such substances into the atmosphere. Consequently, no Group-wide data records are available. Our Group-wide environmental activities are focused on reducing greenhouse gas emissions (and above all carbon dioxide).</p>		Not relevant																																													
EN20 (8)	<p>NO, SO, and other significant air emissions by type and weight</p> <p>Our environmental management system controls, and emission-reduction programmes concentrate on greenhouse gases. Munich Re operates solely as a service provider, and does not release significant NO, SO, or other significant air emissions.</p>		Not relevant																																													
EN21 (8)	<p>Total water discharge by quality and destination</p> <p>This is not material to an office-based financial service provider. Therefore no Group-wide data records are available. Apart from a small quantity used to irrigate the grounds, all the water is used for drinking, cooking, cleaning or sanitation, and is discharged into sewers. Munich Re therefore estimates its total water discharge to be no more than its total water consumption.</p>		Full																																													
EN22 (8)	<p>Total weight of waste by type and disposal method</p> <p>We produced 14,329 tonnes of waste in 2010. The breakdown by type and disposal method is as follows:</p> <table><tr><td>Total weight of waste</td><td>14,329.13</td><td>t(metric)</td></tr><tr><td>Recycled (valuable) materials</td><td>3,893</td><td>t(metric)</td></tr><tr><td>Hazardous</td><td>15</td><td>t(metric)</td></tr><tr><td>Non-hazardous</td><td>3,878</td><td>t(metric)</td></tr><tr><td>Waste incinerated</td><td>1,625</td><td>t(metric)</td></tr><tr><td>Hazardous</td><td>0.3</td><td>t(metric)</td></tr><tr><td>Non-hazardous</td><td>1,624</td><td>t(metric)</td></tr><tr><td>Waste to landfill</td><td>426</td><td>t(metric)</td></tr><tr><td>Hazardous</td><td>0</td><td>t(metric)</td></tr><tr><td>Non-hazardous</td><td>426</td><td>t(metric)</td></tr><tr><td>Special waste treatment</td><td>116</td><td>t(metric)</td></tr><tr><td>Hazardous</td><td>13</td><td>t(metric)</td></tr><tr><td>Non-hazardous</td><td>102</td><td>t(metric)</td></tr><tr><td>Other waste, not specified</td><td>98</td><td>t(metric)</td></tr><tr><td>Organic waste</td><td>792</td><td>t(metric)</td></tr></table>	Total weight of waste	14,329.13	t(metric)	Recycled (valuable) materials	3,893	t(metric)	Hazardous	15	t(metric)	Non-hazardous	3,878	t(metric)	Waste incinerated	1,625	t(metric)	Hazardous	0.3	t(metric)	Non-hazardous	1,624	t(metric)	Waste to landfill	426	t(metric)	Hazardous	0	t(metric)	Non-hazardous	426	t(metric)	Special waste treatment	116	t(metric)	Hazardous	13	t(metric)	Non-hazardous	102	t(metric)	Other waste, not specified	98	t(metric)	Organic waste	792	t(metric)	<b>CR portal</b> » Climate protection » Environmental indicators	Full
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EN23 (8)	<p>Total number and volume of significant spills</p> <p>There were no significant spills of hazardous materials during the reporting period. Our activity as a financial services provider entails very little contact with hazardous materials and significant spills are thus unlikely.</p>		Full																																													
EN24 (8)	<p>Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III,</p>		Not relevant																																													



and VIII, and percentage of transported waste shipped internationally

Munich Re works with certified waste disposal entities which guarantee the correct transfer and processing of waste.

EN25 (8)	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff  Waste water we produce is discharged into the public sewerage systems and we assume that it has no effect on biodiversity other than that which normally arises in connection with this type of discharge.		Full
EN26 (7–9)	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation  Our innovative insurance solutions enable our clients to make sustainable investments. We are firmly committed to devising innovative coverage concepts for new and complex risks together with integrated solutions. A number of our insurance and reinsurance solutions help to mitigate environmental impacts.  Munich Re has long advocated the promotion and development of renewable energy and emission reductions. This gave rise to an ambitious industrial initiative established in conjunction with the DESERTEC Foundation in 2009: Dii GmbH. The idea behind the initiative is to generate electricity in those areas (e.g. North Africa) where a virtually limitless supply of renewable energy is available, and subsequently transport it to the countries that consume it.  Furthermore, we have specialised departments working constantly on innovative insurance solutions, such as an insurance concept covering the exploration risk of geothermal energy projects. The product was initially made public through newly established contacts with financial institutions, brokers and project managers. At present, Munich Re is assessing the US market with a view to marketing such products and is currently involved in intensive negotiations with four projects in the states of Nevada and California.  In 2009, our reinsurance group and MEAG set up the major RENT (Renewable Energies and New Technologies) project. Since then, experts from both companies have been sounding out the potential for strategic investment in renewable energy and new technologies, the main focus being on non-fossil power generation (for more details please see EN6).	<b>CR portal</b> » Insurance solutions for renewable energies » Eco-friendly insurance solutions » Investment strategies for responsible investments » Climate change » Power from the desert	Full
EN27 (8, 9)	Percentage of products sold and their packaging materials that are reclaimed by category  No data are available, as this does not apply to companies in the insurance sector.		Not relevant
EN28 (8)	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations  This does not apply to companies in the insurance sector, as we do not have production sites but office buildings. Therefore no fines were paid.		Full
EN29 (8)	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce  Business travel totalled 359,843,716 km in 2011. Environmental impacts caused by business travel are unavoidable in the insurance sector. Munich Re companies operate globally and rely on direct contacts with clients. Where possible, internal meetings are held in the form of telephone and videoconferences to avoid business travel. When it comes to financial goods, Munich Re is investing large sums of money to achieve climate neutrality. See also examples under EN 7.	<b>CR portal</b> » Environmental indicators	Partial
EN30 (7-9)	Total environmental protection expenditures and investments by type  Environmental protection expenditures are largely embedded in overall operational business expenditures, and therefore without dedicated budgeting and reporting. Thus in most cases, it is not possible to determine the exact amount used for regular maintenance that is also environmentally beneficial. Furthermore, numerous activities that help reduce Munich Re's environmental impact do not involve any expenses.	<b>CR portal</b> » Project RENT	Partial

▼ Social performance indicators

GRI-No./ (GC*)	Performance indicator / Brief answer	Link	Degree of compliance
	Labour practices and decent work performance indicators Unless otherwise stated, the figures given in the following tables cover approximately 67%. Further details are available under » Employee indicators in the “Facts and figures” section.		

LA (1, 3, 6)	Management approach	<b>CR portal</b> » Responsibility towards staff	Full
	<p>Our staff provide the basis for our success due to their competence, motivation and commitment. We are consistently committed to investing in their development and provide all staff with equal opportunities and top-quality working conditions.</p> <p>We strive to recruit the best staff we can and to fill them with enthusiasm for the global business of dealing with opportunities and risks. In our international human resources work and strategic workforce planning, our focus is on the individual. We are a successful and valued employer, not only adapting to the current demands of the labour market but also understanding how to meet the changing needs of our staff. Flexible work models, special conditions for employees with children, the promotion of healthcare, and social counselling services are just some of the factors that make Munich Re a respected employer. Equal treatment is an inherent part of our corporate culture.</p> <p>In 2010 and 2011, the Board of Management positioned diversity as a strategic issue for the Group. To underscore this, Munich Re has launched an international project aimed at formulating Group-wide parameters and a Group-wide diversity concept steered by an international Munich Re diversity council. The goal is to create a strategic framework that applies for the entire Group. With this framework, it is planned to show how we define diversity strategically from a Group level and to give recommendations. A diversity project has been launched at ERGO, too. It is mostly in line with our Group project focus, so there will definitely be mutual benefit. On the international level, we already have initiatives relating to family concerns in many places. For example, some units have employees who work from a home office, some provide childcare discounts or make available childcare options, and others offer employee assistance programmes for work-life balance and similar issues.</p>		
LA1	<p>Total workforce by employment type, employment contract and region</p> <p>As at 31 December 2011, Munich Re employed a total of 47,206 staff, 15,142 of these in reinsurance (including Munich Health staff), 31,311 in primary insurance and 753 in asset management.  <b>Staff by employment contract at offices in Germany in 2011:</b>  Staff members with temporary employment contracts: 1,836  Staff members with open-ended employment contracts: 29,844</p> <p><b>Munich Re staff by employment type:</b>  In 2011, 4,397 of our staff were part-time, 27,252 were employed full-time.</p> <p><b>Distribution of reinsurance staff by region (2011):</b>  Germany: 24,299  Rest of Europe: 13,962  North America: 6,781  Latin America: 128  Asia and Australasia: 1,472  Africa, Near and Middle East: 564</p>	<b>CR portal</b> » Responsibility towards staff » Work-life balance » Employee indicators  <b>Corporate website</b> (Staff) » munichre.com  <b>Publication</b> "Staff 2009: Data and facts" » Download (PDF)	Full
LA2 (6)	<p>Total number and rate of employee turnover by age group, gender and region</p> <p>The number of staff employed by Munich Re rose in 2011 due largely to international acquisitions in the reinsurance group, for example Windsor Health Group Inc., USA.</p> <p>The weighted average turnover rate was 8.5% in 2011.</p> <p>Monitoring detailed turnover rates at Munich Re is a task of the decentralised units. Also, turnover categories often refer to local or company-specific regulations. Munich Re therefore does not aggregate detailed turnover data from the different decentralised units.</p>	<b>CR portal</b> » Responsibility towards staff » Employee indicators	Partial
LA3	<p>Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations</p> <p>Munich Re does not differentiate between benefits provided to full-time staff and those provided to part-time staff.</p> <p>Munich Re offers its staff various benefits, the nature and scope of which are determined on an individual company basis and not centrally. At Munich Re, additional benefits have a long-standing tradition and we attach great importance to them. They are part and parcel of our overall remuneration concept and mirror our corporate culture.</p> <p>Family-friendly work measures are also determined on a decentralised basis. Munich Re's offices in Germany work with a number of service providers that help staff find good childcare. Company childcare centres have reserved places for staff children, which helps women return to qualified positions. In addition, independent family services offer assistance in securing tailor-made care for children of staff or for other family members.</p>	<b>CR portal</b> » Work-life balance	Full

LA4 (1, 3)	<p>Percentage of employees covered by collective bargaining agreements</p> <p>Munich Re (Reinsurance) Germany: 93% ERGO Germany: 95% MEAG: 97%</p> <p>We do not keep any record of employees' union memberships. Both MR Munich and ERGO are members of the Employers' Association for Insurance Companies in Germany and therefore subject to the association's collective bargaining agreements; the same terms and conditions apply to both union and non-union members. Employees' interests are represented by a staff council elected by the members of staff. Since July 2007, there has been a Group-wide staff council in addition to the different company staff councils. Besides this, there are employee representatives on the Supervisory Board. In all our contracts with employees (not applicable for executives), we refer to collective labour agreements. We state that the collective bargaining agreement is applicable independent of membership in a trade union. In addition, Munich Re is a member of the UN Global Compact and supports all its principles.</p>		Full
LA5 (3)	<p>Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.</p> <p>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.</p>		Full
LA6 (1)	<p>Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes</p> <p>Munich Re complies with the health and safety requirements imposed by law, but there is no Group-wide committee in place to help monitor and advise on occupational health and safety programmes. Every company has its own health and safety committee with joint management/employee representation on a local level.</p>	<p><b>CR portal</b> » Health at the workplace</p>	Full
LA7 (1)	<p>Rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities by region</p> <p>In 2011, the level of sick leave throughout Munich Re was 4.1%.</p> <p>The number of occupational accidents is not recorded centrally. As a financial services provider, our exposure to occupational accidents and work-related fatalities is very small.</p>	<p><b>CR portal</b> » Health at the workplace » Employee indicators</p>	Partial
LA8 (1)	<p>Education, training, counselling, prevention and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases</p> <p>As part of their responsibility as employers, Munich Re companies help their staff to look after their health and maintain it in the long term. Consequently, all the legal requirements in respect of health and safety at work are met and additional measures offered such as counselling and training programmes on stress management, ergonomic working conditions and similar issues.</p> <p>The measures are initiated and coordinated by the individual companies within Munich Re and not centrally. A substantial number of Munich Re sites have their own company medical officers who inform staff about recommended vaccinations, instruct them on what to do in the event of acute health risks, organise first-aid within the company, give advice on occupational health, offer voluntary regular extensive check-ups to identify health risks and diseases at an early stage, monitor the execution of occupational safety with regard to regulatory requirements and accident prevention measures, inspect the workplace, examine work-related injuries, make sure that all employees are informed about requirements of work safety and accident prevention, and provide urgent medical treatment where necessary. They also advise management and the employees who deal with such issues on matters concerning health and safety at work.</p> <p>Since 2001, Munich Re Munich has had a health and safety committee, going far beyond legal requirements, integrated into its risk management system. Staff going on business trips can attend security training courses, while brochures like “Gymnastics at the workplace” and offers for back training are available. Moreover, information on employee care is provided on the intranet. Our employee assistance programme (Work-Life Service in Munich) offers life counselling, stress management and conflict-solving.</p>	<p><b>CR portal</b> » Health at the workplace</p>	Full
LA9 (1)	<p>Health and safety topics covered in formal agreements with trade unions.</p> <p>Each company discusses safety at work issues with its own employee representatives. The relevant statutes are applied.</p>		Partial
LA10	Average hours of training per year per employee by employee	<b>CR portal</b>	Full

	<p>category.</p> <p>In 2011, the average number of days' training per employee for Munich Re Group was 3.06 (compared with 3.36 in 2010). The average hours per employee category are not tracked in our reporting system.</p>	<p>» Training and development</p> <p>» Employee indicators</p>	
LA11	<p>Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings</p> <p>We give high priority to staff training and personal development. Munich Re advocates lifelong learning. We offer a wide range of training options in each of our business fields and at MEAG. Munich Re fosters key-skill and specialist staff training by organising specialist and personal training measures. Modern e-learning platforms accessible to staff worldwide are another training option.</p> <p>Due to the different business lines of Munich Re, all of our activities/actions are based on the same principles but with local freedom of application. We support the enhancement of skills and excellence in business-specific functions by means of competence profiles, curricula and consistent quality assurance. The career development of our specialists is also of central importance to us. At Munich Re, personnel development initiatives are an integral part of the annual appraisal interviews.</p>	<p><b>CR portal</b></p> <p>» Training and development</p>	Full
LA12	<p>Percentage of employees receiving regular performance and career development reviews</p> <p>Due to Munich Re's different business lines, all of our activities/actions are based on the same principles but with local freedom of application. 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.</p> <p>Munich Re (reinsurance) Germany: 100% MEAG: 100%</p> <p>Most of the staff in Munich Re's international organisation have regular performance appraisals, but currently no international data are available.</p> <p>The different companies at ERGO have different processes and guidelines. From 2012 on, there will be a consistent and mandatory skill mapping and developing process for all employees, ratified by the company together with the Staff Council.</p>	<p><b>CR portal</b></p> <p>» Fair and performance-related remuneration</p>	Full
LA13 (1, 6)	<p>Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity</p> <p>Staff diversity is a key aspect of Munich Re's corporate culture. In 2011, 52% of Munich Re employees were female. The proportion of females in management positions has been rising in recent years, and amounted to 26% in 2011.</p> <p>Munich Re staff by age (2011): 29 and under: 4,169 30 to 49: 18,548 50 and over: 6,716 This does not add up to the total number of employees because coverage is not 100%</p> <p>In some of the countries where we operate, employers are prohibited by law from asking employees questions about minority group membership.</p>	<p><b>CR portal</b></p> <p>» Diversity</p> <p>» Employee indicators</p> <p><b>Group annual report 2011</b> "Staff": p. 114 ff. » Download (PDF, 11.0 MB)</p>	Partial
LA14 (1, 6)	<p>Ratio of basic salary of men to women by employee category</p> <p>Our policy on salary determination is not based on gender but on individual expertise, experience and market-based criteria. The Group's remuneration practices are strictly independent of any diversity factors including a person's gender; hence we do not differentiate between men and women in our remuneration system. Furthermore, Munich Re has implemented a transparent and neutral payment system oriented towards employee performance, responsibility and experience. Please refer to non-discrimination/social conduct in our codes of conduct.</p>	<p><b>CR portal</b></p> <p>» Diversity</p>	Not reported
<b>2. Human rights</b>			
HR (1–6)	<p>Management approach</p> <p>Observance of human rights is axiomatic for Munich Re. In August 2007, Munich Re joined the United Nations' Global Compact initiative.</p> <p>Its ten principles provide us with important action guidelines, and principles 1 and 2 refer explicitly to the issue of human rights. We have implemented numerous systems and measures that make clear our commitment.</p>	<p><b>CR portal</b></p> <p>» Compliance</p> <p>» Risk management</p>	Full



Our Code of Conduct specifies 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. Neither do we tolerate any intimidation or violence, or the threat thereof.

As a member of the UNEP FI Principles for Sustainable Insurance (PSI) Initiative, we work for greater consideration of ecological, social and governance (ESG) factors in the insurance industry.

HR1 (1–6)	<p>Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening</p> <p>In our asset management, we follow the United Nations Principles for Responsible Investment (PRI) throughout our Group. Munich Re was the first German company to sign the Principles for Responsible Investment, which we played a prominent role in helping to establish.</p> <p>Based on the PRI, our General Investment Guidelines stipulate that 80% of our own investments in shares, bonds, real estate (up from 2010) and investments in the RENT project should satisfy sustainability criteria, which include human rights aspects.</p> <p>In addition, MEAG offers its clients three investment products that take account of sustainability criteria. These sustainability funds enable clients to invest in accordance with the principles of socially responsible investing (SRI).</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Sustainable investments</li> <li>» Principles for Responsible Investment</li> <li>» Investment strategies for responsible investments</li> </ul> <p><b>Group annual report 2011</b> page 32</p> <ul style="list-style-type: none"> <li>» Download (PDF, 11.0 MB)</li> </ul>	Full
HR2 (1-6)	<p>Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken</p> <p>In our procurement policy, we also aim to achieve a balance in terms of economic, ecological and social aspects, which include human rights.</p> <p>A corporate responsibility clause (Munich Re reinsurance group only) is included in all new and renegotiated contracts with suppliers and service providers, obligating suppliers and providers to comply with the ten principles of the UN Global Compact. In 2011, Central Procurement concluded contracts covering about 90% of the overall spend with German suppliers who have to comply with the basic principles of the UN Global compact like human rights, labour law and anti-corruption that are laid down in German legislation.</p> <p>Regarding ERGO: A detailed supplier self-disclosure – including various questions related to environmental aspects and environmental certificates – is required for all purchasing volumes.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Compliance</li> </ul>	Full
HR3 (1–6)	<p>Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained</p> <p>Our Code of Conduct is a key source of guidance for our actions and describes our understanding of the relevant values. The code specifies our rules for legally impeccable conduct, based on ethical principles. To optimise the outcome of this value management, we provide training programmes on the Code of Conduct for our employees. Since the beginning of 2011, all employees in the reinsurance group have had access to an e-learning module on this topic. We expect employees to acquaint themselves with the contents and obligations of the Code of Conduct and test their knowledge of the areas that it covers. ERGO introduced an e-learning module for senior executives in 2009.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Compliance</li> </ul>	Partial
HR4 (1, 2, 6)	<p>Total number of incidents of discrimination and actions taken</p> <p>Equal treatment and non-discrimination are enshrined in Munich Re's codes of conduct. Munich Re does not tolerate discrimination – whether based on age, gender, ethnic origin, cultural identity, religious beliefs, political opinions or similar grounds. Therefore Munich Re signed the German Charter of Diversity in 2011, following ERGO (since 2009). Signatories agree to create a work environment free from prejudice and exclusion, including an internal review of HR processes at regular intervals.</p> <p>Internal codes of conduct have been implemented and set standards for all business activities. Other guidelines and principles have to be aligned with the codes of conduct, which formulate the main rules and principles for correct behavior by employees and reflects our values. Non-discrimination is one of the topics covered by the codes of conduct.</p> <p>The codes, which are obligatory for all Munich Re employees worldwide, provides clear guidance by laying down principles for topics such as non-discrimination and harassment, dealing with confidential information, insider trading, external communications, conflicts of interest, gifts and entertainment, and the protection of Group property and natural resources. If material cases of</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Compliance</li> <li>» Diversity</li> </ul>	Not applicable



discrimination occur, they are reported to the compliance functions as defined by escalation criteria.

Furthermore, Group-wide representative bodies for disabled employees are in place. ERGO has appointed a central equal opportunities officer to ensure the rules are respected at its offices in Germany. In addition, since 2008, there has been a company agreement for the integration of disabled persons. Any incidents of discrimination and measures taken are recorded locally; no Group data are available.

HR5 (1–3)	<p>Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights</p> <p>In the period under review, no business operations were identified in which freedom of association and the right to collective bargaining were at risk.</p> <p>By joining the UN's Global Compact, Munich Re has also demonstrated its commitment to observing the right to freedom of association and collective bargaining. Munich Re complies with the relevant laws applying in the different countries in which we do business.</p> <p>We do not keep any record of employees' union memberships. Munich Re Munich and ERGO are members of the Employers' Association for Insurance Companies in Germany and therefore subject to the association's collective bargaining agreements; the same terms and conditions apply to both union and non-union members. Employees' interests are represented by a staff council elected by the members of staff. Since July 2007, there has been a Group-wide staff council in addition to the different company staff councils. Besides this, there are employee representatives on the Supervisory Board. In all our contracts with employees, we refer to collective bargaining agreements. We state that the collective bargaining agreement is applicable independent of membership in a trade union.</p>	<p><b>CR portal</b> » Compliance</p>	Full
HR6 (1, 2, 5)	<p>Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour</p> <p>In the period under review, no business operations were identified in which there was a significant risk of child labour. This aspect is of little relevance in Munich Re's business, as key units of the Group operate in countries where child labour is prohibited by law. By joining the UN Global Compact, however, Munich Re has made clear that it will not tolerate child labour.</p> <p>This means as well that all Munich Re suppliers abide by the company's environmental, social and governance (ESG) standards, as outlined in the Munich Re Code of Conduct and Purchasing Guidelines. Both the codes and the guidelines are in line with the principles of the United Nations (UN) Global Compact – in particular human rights, labour standards, environment and anti-corruption.</p>	<p><b>CR portal</b> » Compliance</p>	Full
HR7 (1, 2, 4)	<p>Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour</p> <p>In the period under review, no business operations were identified in which there was a significant risk of forced or compulsory labour. This aspect is of little relevance in Munich Re's business, as key units of the Group operate in countries where such labour is prohibited by law. By joining the UN Global Compact, however, Munich Re has made clear that it will not tolerate forced labour.</p>	<p><b>CR portal</b> » Compliance</p>	Full
HR8 (1, 2)	<p>Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations</p> <p>Munich Re's Code of Conduct applies to its own security staff. For external security personnel, the conditions of the new Purchasing Guidelines apply, which require that all new supply and service contracts must contain a corporate responsibility clause based on the UN's Global Compact.</p>	<p><b>CR portal</b> » Compliance</p>	Not applicable
HR9 (1, 2)	<p>Total number of incidents of violations involving rights of indigenous people and actions taken</p> <p>In the period under review, no business operations were identified in which the rights of indigenous peoples were violated. This aspect is of little relevance in Munich Re's business. By joining the UN Global Compact, however, Munich Re has made clear that it will not tolerate the violation of the rights of indigenous people.</p>	<p><b>CR portal</b> » Compliance</p>	Full

### 3. Society

SO (10)	<p>Management approach</p> <p>For us as a global risk carrier, a prospective, prudent and responsible approach is self-evident. We therefore aim to take due account of economic, ecological and social requirements in our</p>	<p><b>CR portal</b> » Responsible corporate governance » Compliance » Anti-fraud management</p>	Full
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operations. That is why the coordination of corporate responsibility is located in our Group Development Division – to ensure that we meet the aforementioned aim both in our business and in our interaction with society.

Each Munich Re company has an effective anti-fraud management system in place. A corresponding directive sets out the specific duties and responsibilities that play an important part in preventing and combating fraud.

Also important to us are preventing and combating corruption and financial crime. Key guidelines are provided by our Code of Conduct, which specifies our rules for legally impeccable conduct, based on ethical principles, and describes our understanding of the relevant values.

We also exercise our corporate responsibility in the communities in which our operations are located. The focal points of our social commitment are the active promotion of science and the support of socially disadvantaged youngsters and people in need. For our international social commitment, we have designed a Group-wide corporate citizenship concept that contains concrete sponsorship criteria. In addition, we have established ourselves as a patron of the arts and culture. The foundations we have set up play an important part, and they make a significant contribution to sustainable development throughout the world.

- » Foundations
- » Commitment

Aspect: Community

SO1	<p>Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting</p> <p>This indicator has little relevance for Munich Re as a financial services provider: in contrast to other sectors of the economy, we have only a comparatively small impact on the local community with our office-based business operations.</p> <p>Nevertheless, Munich Re is a participant in a working platform of the Bertelsmann Foundation, which is conducting research on the topic “Measuring benefits and implementing respective Group-wide tools”. The working group has developed the so-called “iooi method” to measure and plan corporate citizenship (CC) impact. A code of practice was published in 2010 in which we actively participated. We are planning to use these results together with the London Benchmarking Group (LBG) recommendations for future measurements.</p> <p>Memberships are checked for their benefit/cost effectiveness and their specific outcome on a yearly basis by the Corporate Responsibility Department (within the Group Development Division) and by each responsible department, as are donations and corporate responsibility sponsorship activities. The survey includes the expenses for CC and information on special projects and activities in this field. A network to foster contact and exchange between the different business units was implemented by the end of 2011. The evaluation of work/projects is also a key issue for the Munich Re Foundation (MRF), and all three foundations are part of our integral and holistic corporate responsibility. The Board of Trustees of MRF holds two meetings every year to systematically monitor project quality, risks and chances. Project success and impact are key concerns, good reporting and evaluation are key priorities, and projects undergo a regular audit. The most recent evaluation of the foundation’s work was conducted by an external expert team (AgenZ, Frankfurt, Germany). Its summary attests successful work and good progress. It is essential to know how deep the impact of the projects is and what can be improved. The impact of our CR commitment is reflected in the increasing number of applications and demands for support, sponsoring, cooperation and partnerships in CR-related sectors at Munich Re.</p>	Not relevant
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Aspect: Corruption

SO2 (10)	<p>Percentage and total number of business units analysed for risks related to corruption</p> <p>An anti-fraud analysis covering all business units and regions is conducted as part of the internal Group-wide risk-control system (ICS).</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"><li>» Corporate governance</li><li>» Anti-fraud management</li><li>» Risk management</li></ul>	Full
SO3 (10)	<p>Percentage of employees trained in the organisation’s anti-corruption policies and procedures</p> <p>Our employees are regularly informed about the issues of anti-corruption and fraud in work instructions, courses and presentations. The aim of these programmes is to inform them about the main anti-corruption and anti-fraud rules, the essentials of the Anti-Corruption and Gifts &amp; Entertainment Policies, and Munich Re’s anti-fraud principles. An expanded e-learning module for the reinsurance group on the Code of Conduct has been available to employees since August 2010. The module, based on existing learning programmes, not only deals with the issues of anti-corruption and conflicts of interest but also goes into more detail on how to handle gifts and invitations.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"><li>» Corporate governance</li><li>» Anti-fraud management</li></ul>	Full

SO4 (10)	<p>Actions taken in response to incidents of corruption</p> <p>In 2010, we largely completed the enhancement of our internal control system (ICS), a uniform worldwide system for managing operational risks integrated across all risk dimensions and areas of the Group that both meets Group management needs and satisfies local legal and regulatory requirements. The Board of Management has Group-wide responsibility for the ICS, which falls structurally under the responsibility of the CRO. Experts and staff in our specialist areas are responsible for the detailed content of the system and perform the risk and control assessments, ensuring that we have been able to reinforce the harmonised understanding of risk within the Group and considerably raise awareness of the importance of risk and controls in our operational processes (further information: Group Annual Report 2011, page 123 ff.).</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Corporate governance</li> <li>» Anti-fraud management</li> <li>» Risk management</li> </ul>	Full
<b>Aspect: Public policy</b>			
SO5 (1–10)	<p>Public policy positions and participation in public policy development and lobbying</p> <p>In 2010, Munich Re established a new unit within the division Group Legal (Governmental Affairs) to more effectively observe, assess and exert a constructive influence on the relevant developments and to actively communicate on a political stage. In Munich, Berlin and now in Brussels, the department coordinates a process that takes in all of Munich Re, assessing the relevant issues and developing positions valid for the entire Group.</p> <p>A focal point of Munich Re's lobbying activities concerns issues of national, European and international supervisory legislation. In addition, Munich Re assumes a leading role in connection with the Geneva Association. An example of our activities in this connection is climate change: in line with our sustainability goals and due to our long-standing expertise, we are involved in major international activities with regard to climate change. Munich Re is an acknowledged partner for policymakers, providing excellent knowledge and advice to shape mitigation and adaptation measures for combating climate change.</p> <p>Munich Re's Geo Risks Research unit was set up in 1974 to analyse and actively address changing natural hazard risks and climate-change risks that impact our reinsurance activities. We have continually enhanced and updated our specialist expertise and, since 2008, our climate-change activities have been coordinated by our Corporate Climate Centre (CCC), a network of staff dealing with the consequences of climate change for Munich Re as a whole.</p> <p>Moreover, Munich Re is the initiator of the Munich Climate Insurance Initiative (MCII) launched in 2005, and has been the sponsor of the MCII office on the United Nations University campus in Bonn since 2008. The MCII is made up of insurers, scientists, and non-governmental organisations. This wide-ranging group is united in the goal of formulating and putting in place insurance-related solutions for developing countries without functioning insurance markets in order to help combat the rising losses in these areas.</p>		Full
SO6 (10)	<p>Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country</p> <p>Donations and social investment:</p> <p>Corporate Citizenship funding: € 6,710,681 Therein included are political contributions/donations and the project funding of our three company foundations.</p> <p>In 2011, Munich Re donated the sum of € 170,342 to the five main German political parties, including donations to their relevant political organisations. From 2011 on, political donations have been evenly and transparently distributed across all non-extreme parties, so that these form part of our corporate citizenship.</p> <p>The projects and activities of Munich Re's three foundations (Munich Re Foundation, Dr. Hans Jürgen Schinzler Foundation, and the ERGO Foundation "Youth&amp;Future") show how we can provide active support and deliver effective solutions for global, social and scientific challenges. Project funding of the three foundations: € 1,679,628.</p>		Full
<b>Aspect: Anti-competitive behavior</b>			
SO7	<p>Total number of legal actions for anticompetitive behaviour, anti-trust, and monopoly practices and their outcomes</p> <p>For us, adherence to high ethical and legal standards is a matter of principle and regulated by our Code of Conduct.</p>	<p><b>Group annual report 2011</b> "Notes to the consolidated financial statements": p. 161 ff. » Download (PDF, 11.0 MB)</p>	Full
<b>Aspect: Compliance</b>			
SO8	<p>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations</p>	<p><b>Group annual report 2011</b> "Notes to the consolidated</p>	Not reported

For us, adherence to high ethical and legal standards is a matter of principle and regulated by our Code of Conduct.

financial statements": p. 161  
ff.  
» Download (PDF, 11.0 MB)

#### 4. Product responsibility

PR (1, 8)	<p>Management approach</p> <p>We are committed to high-quality insurance and reinsurance client management, maintaining close contacts and regular communications with our clients, and thus enhancing client satisfaction and client loyalty.</p> <p>Through this constant exchange, Munich Re's products, services and processes can be geared to the clients' needs, and this enables us to meet their expectations of us as a quality provider. All client enquiries are treated with the same professionalism and integrity: our dealings with clients are always based on the same standards. Client data are handled with strict confidentiality, personal data being recorded and forwarded to others only with the client's express agreement. Furthermore, in respect of all mentioned services, it is important to outline that consumer protection is of utmost importance. Data and information from and about customers are handled extremely carefully based on the local standards as a minimum. Our systems are in compliance with the strict German Data Protection Act.</p> <p>With regard to our insurance operations, our customer sales service and advisory activities are regularly monitored and rated by external agencies and client surveys. Certificates and service ratings awarded by prominent market research institutes confirm high customer-satisfaction levels, showing that our qualified representatives give advice tailored to individual needs. Client satisfaction is also one of the key performance indicators incorporated in the balanced scorecard objectives of ERGO sales staff.</p> <p>Practices related to customer satisfaction, including results of surveys measuring customer satisfaction: The Munich Re Group has different client bases in reinsurance and primary insurance. For both of them, client satisfaction is of great importance. External awards show that we do very well. Munich Re's client-focused approach is based on open dialogue with our insurance and reinsurance clients.</p>	<p>» Munich Re connect » ERGO Service</p>	Full
Aspect: Client health and safety			
PR1 (1)	<p>Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures</p> <p>Munich Re's products are not tangible and therefore have no health and safety impacts. This indicator does not apply to our sector.</p>		Not relevant
PR2 (1)	<p>Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes</p> <p>Munich Re's products are not tangible and therefore have no health and safety impacts. This indicator does not apply to our sector.</p>		Not relevant
Aspect: Product and service labeling			
PR3 (8)	<p>Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements</p> <p>Munich Re's product and service range – from development and marketing to conclusion of the business – is subject to strict quality controls. Hence no significant product or service categories are covered by and assessed for compliance with such procedures.</p> <p>To further clarify insurance terms and conditions, 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.</p>	» ERGO	Full
PR4 (1)	<p>Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes</p> <p>For us, adherence to high ethical and legal standards is a matter of principle and is regulated by our Code of Conduct. See also PR3.</p>		Not applicable
PR5	<p>Practices related to customer satisfaction, including results of surveys measuring customer satisfaction</p> <p>Munich Re's client-focused approach is based on open dialogue with our insurance and reinsurance clients. As we have different client basis, every entity has its own customer satisfaction measurement.</p>	<p>CR portal » Stakeholder dialogue: Clients</p> <p>Group annual report 2011 "Clients and client relationships": pp. 112 – 113</p>	Full



In general, we measure Munich Re’s company image on a regular basis. For example, we participate in Flaspöhler studies (Flaspöhler Europe Non-Life Survey and Flaspöhler Europe Life Survey, which both take place every two years) and achieved top positions in 2006, 2008 and 2010. The survey consists of questions about reinsurer utilisation, perceptions of reinsurers, products and services, reinsurer selection and associated topics, such as Solvency II. The results of the 2010 Flaspöhler survey, the main cedant survey, confirmed Munich Re’s position as best non-life and life reinsurer. This was the third consecutive time Munich Re had gained the title, having previously done so in 2006 and 2008. Munich Re was also voted “Reinsurer of the Decade 2001–2010”.

Since 2007, on a yearly basis, customer satisfaction ratings for ERGO have been monitored by an external market research institute, the results being incorporated in ERGO’s balanced scorecard. German inspection agency TÜV has awarded ERGO’s highly professional client management a “good” rating on service and client satisfaction. ERGO’s claims management, which is subject to regular quality checks, claims audits and controls, is certified to Germany’s DIN EN ISO 9001 standard. Its client services are centrally managed and coordinated, the same quality standards applying to all ERGO Group companies.

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Aspect: Marketing communications

PR6	<p>Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship</p> <p>Munich Re’s product and service range – from development and marketing to the conclusion of business – is subject to strict quality controls.</p> <p>We see it as our duty to ensure transparency and to present the terms, conditions and prices of our products and services clearly and coherently, carrying out regular checks of our marketing activities and advertisements to ensure they are understandable to clients.</p> <p>The corresponding activities and procedures are governed by an internal code of conduct, which sets binding standards and rules, including a commitment to fair and open dealings with business partners and clients.</p> <p>Together with the German consumer magazine “Guter Rat” (“Good Advice”), the Institut für Transparenz in der Altersvorsorge GmbH (ITA), an institute aiming at transparency in old-age provision, tested the contents of several Riester pension product information sheets for clarity. According to the experts, the product information sheet from German life insurer ERGO Lebensversicherung is the easiest to understand and was voted the winner.</p> <p>Since the reform of the German Insurance Contract Act in 2008, insurance policies must highlight all the key information to customers in product information sheets. The product information sheet acts as a simplified summary of the General Terms and Conditions of Insurance and should enable customers to understand exactly what they are signing. Furthermore, all ERGO sales agents have to comply with a special code of conduct.</p>	Full
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PR7	<p>Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes</p> <p>For us, adherence to high ethical and legal standards is a matter of principle and is regulated by our Code of Conduct.</p>	<p><b>Group annual report 2011</b> “Notes to the consolidated financial statements”: p. 161 ff. “Munich Re Code of Conduct”: p. 31 <a href="#">» Download (PDF, 11.0 MB)</a></p>	Full
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Aspect: Customer privacy

PR8 (1)	<p>Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data</p> <p>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. Munich Re has not received any information about material breaches of privacy rules.</p>	Full
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Aspect: Compliance

PR9	<p>Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services</p> <p>For us, adherence to high ethical and legal standards is a matter of principle.</p>	<p><b>Group annual report 2011</b> “Notes to the consolidated financial statements”: p. 161 ff. <a href="#">» Download (PDF, 11.0 MB)</a></p>	Full
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Financial Services Sector Supplement

GRI-No./ (GC*)	Performance indicator / Brief answer	Link	Degree of compliance
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FS1	<p>Policies with specific environmental and social components applied to business lines</p> <p>Understanding/quantifying ESG (environmental, social, governance) aspects and risks is crucial for insurance and reinsurance companies. How best to manage risks of change in long-tail business is key for our business. We analyse in depth all relevant trends as well as geo risks/climate change that influence the corresponding financial risks. As we factor our risk knowledge into our business development, risks are at the same time business opportunities. Early detection of risk is implemented in all product/market development; appropriate ESG risks are taken into account. Each department has experts to ensure that all future risks relating to specific products are identified.</p> <p>In August 2007, Munich Re joined the United Nations Global Compact, whose ten principles constitute key guidelines for our actions. In 2006, Munich Re signed the UN Principles for Responsible Investment (PRI). As a member of the UNEP FI PSI Initiative, we work for greater consideration of environmental, social and governance (ESG) factors in the insurance industry. We chair the Principles for Sustainable Insurance Working Group and signed the Principles for Sustainable Insurance in June 2012. Our General Investment Guidelines indicate that 80% of the assets should be managed according to SRI criteria.</p> <p>Besides this, our Code of Conduct and compliance manual contain information on the main areas concerned with correct business practice in this context. The codes of conduct of all Munich Re Group companies lay down ESG (environmental, social, governance) criteria. We also have a new corporate responsibility mission statement. Applying a refined corporate responsibility (CR) strategy, we will use the PSI framework to develop a concept for the integration of CR in business, providing a more structured approach to the ESG topics in core business. The process of identifying relevant ESG issues is being steered by the CR Department. The first example is the elaboration of a new corporate policy on banned weapons. Our Group Risk Committee deals with matters such as early identification of issues of concern or constituting a risk to the Group as a whole such as reputational and emerging risks.</p> <p>In addition to Group-level committees, Munich Re's reinsurance group has also established structures and units within the business fields, such as the Reputational Risk Committee (RRC – see item FS2) and Emerging Risks Think Tank (see item FS2). Specific guidelines regarding the environment play a vital part in our environmental strategy, which is valid Group-wide.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Responsible corporate governance</li> <li>» Sustainable investments</li> </ul>	Full
FS2	<p>Procedures for assessing and screening environmental and social risks in business lines</p> <p>Early detection of risk is implemented in all product/market development. Where appropriate, ESG risks are taken into account; each department has experts to ensure that all future risks relating to the specific area or product will be identified. The Global Underwriting and Risk Committee (GURC) is responsible for the establishment and ongoing implementation of an appropriate risk management process in the business field of reinsurance to ensure that risks are quantified and entered into consciously and that sufficient capital is available to cover all the significant risks in that business field.</p> <p>A key part of our Group-wide risk management being to detect future ESG risks for our core business, we analyse and monitor our markets in order to identify such risks. Munich Re's ESG risk-identification systems are managed and monitored by Group-level functions.</p> <p>Further specialised units/panels for early ESG risk detection:</p> <ul style="list-style-type: none"> <li>– Reputational Risk Committee (Group Annual Report 2011, page 128)</li> <li>– Emerging Risks Think Tank (Group Annual Report 2011, page 137). In 2010, we largely completed the enhancement of our internal control system (ICS), a uniform worldwide system for managing operational risks integrated across all risk dimensions and areas of the Group that both meets Group management needs and satisfies local legal and regulatory requirements. (Group Annual Report 2011, page 123)</li> <li>– In 2007, Munich Re established the Corporate Climate Centre (CCC), forming the link between geoscientific research and operative underwriting.</li> <li>– The Group Development and Economic Research Department provides not only "classic" macroeconomic research but also analyses of social, political, environmental and technological megatrends, including reputational risks, potential disruptive developments and their influence on the Group's future business.</li> <li>– The Corporate Responsibility Department is working on systematic consideration of ESG factors in our business. A first concrete example is a policy concerning companies producing,</li> </ul>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Risk management</li> </ul> <p><b>Links</b></p> <ul style="list-style-type: none"> <li>» Geo Risk Research</li> </ul>	Full

storing or trading banned weapons.

In addition, in specialised centres of competence, e.g. for biosciences, experts develop solutions for new risks based on systematic analysis and prognoses. Whether it is natural catastrophes threatening our increasingly interwoven economies, demographic change, or new diseases – we actively contribute our know-how and implement risk management.

FS3	<p>Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions</p> <p>That environmental, social and governance requirements are included in our risk assessment process can be seen from our comprehensive risk management, backed by our internal risk-control system strategy. Comprehensive risk analyses play a key part in our assessment of a client's risk profile.</p> <p>Our core activities include the risk assessments we undertake during annual renewals, the objective of which is to re-evaluate and revise our reinsurance contracts. They include any particular environmental, social and political factors the individual contracts may involve.</p> <p>MEAG, the asset manager of Munich Re and ERGO, currently has assets totalling some €216bn in its portfolio. Investments of this magnitude entail substantial responsibility, which we take very seriously and monitor accordingly. This strategy is strictly geared to our asset-liability management guidelines and consistent risk management.</p> <p>As signatories to the Principles for Responsible Investment, we decided as early as 2002 that our investments in shares and bonds would be subject to sustainability criteria. In 2005, this aim was set out in our Group-wide General Investment Guidelines (GIGs) and extended to government bonds. Since then, the Group has endeavoured to place 80% of the market value of these investments in securities listed in recognised sustainability indices such as the Dow Jones Sustainability Index. Additionally, we use sustainability ratings such as Sustainalytics for our evaluation.</p>	<p><b>CR portal</b></p> <p>» SRI indices, ratings and awards</p> <p><b>Links</b></p> <p>» MEAG: Sustainability</p>	Full
FS4	<p>Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines</p> <p>Munich Re's corporate responsibility strategy and activities are presented in various formats, at events like our introduction courses for new staff members and courses for graduate recruits and trainees, and also at reinsurance and primary insurance management level.</p> <p>Regular workshops giving opportunities for knowledge transfer with departments throughout Munich Re also play a part in the sharing of CR knowledge and promoting of CR issues.</p> <p>Important guidelines are provided by our Code of Conduct, copies of which all our employees receive together with their employment contracts which have to be signed. The Code specifies our rules for legally impeccable conduct, based on ethical principles, and describes our understanding of the relevant values. Our codes of conduct contain regulations that are binding on all employees, including environmental protection in our operational context and the handling of conflicts of interest and discrimination. The codes are regularly updated and freely accessible to all staff on our intranet.</p> <p>Our asset management staff attend workshops and working groups that deal with the role of corporate responsibility in the investment process, and regular exchanges are organised with external specialists on socially responsible investment (SRI) and Principles for Responsible Investment (PRI). The relevant teams address these issues in depth, dealing with in-house and external questions, carrying out research, attending courses and discussing ESG criteria with companies in which Munich Re invests.</p> <p>Our environmental management system is systematically updated and assessed with regard to applicability and use in terms of compliance with the regulations laid down in the environmental manual and the appropriateness of these.</p> <p>Munich Re has environmental management system courses, communications and controls, sets annual environmental programme targets and keeps records of the extent of their implementation and fulfilment. We also organise continuing professional and personal development courses. Internal audits are held annually to verify the overall extent and approach of our environmental management.</p>		Full
FS5	<p>Interactions with clients/investees/business partners regarding environmental and social risks and opportunities</p> <p>One of Munich Re's main concerns has always been to foster open interaction with our stakeholders, i.e. primarily with our insurance</p>	<p><b>CR portal</b></p> <p>» Principles for Responsible Investment</p> <p>» Corporate Citizenship Concept</p>	Full

and reinsurance clients, the media, the general public, our employees and capital market players.

Our reinsurance operations focus on customised products. Each contract is designed to match the risks of the individual client and, as a result, we establish very close ties with our clients.

We share information with investors and analysts. At roadshows and in individual meetings, our senior management explain Munich Re's strategy and business model in detail.

Our business is inextricably linked with environmental issues. We are directly affected by environmental impacts, such as the growing number and intensity of weather-related natural catastrophes. A particular focus of our commitment is therefore on climate protection: we have long been contributing our specialist knowledge to numerous organisations and associations concerned with global warming. We have analysed climate change issues for over 35 years, our work in this field supporting efforts to tackle climate change impacts.

Communications with external partners are among the main factors involved in implementation of the UN Principles for Responsible Investment (PRI). We communicate our investment criteria, which include sustainability considerations, and address them in dialogue with our business partners. Where our MEAG Nachhaltigkeit, MEAG KlimaStrategie and MEAG FairReturn funds are concerned, we also ask them to supply information relevant to our sustainable investment criteria. We are publishing an increasing amount of information on PRI issues, e.g. through announcements in the financial press and our involvement in presentations and congresses on sustainability.

From the CR perspective, we believe that interacting with clients, investees and business partners also means assuming responsibility for the community in which we live and work. The focal points of our social commitment are the active promotion of science and support of socially disadvantaged youngsters and people in need. In addition, we have established ourselves as a patron of the arts and culture. Our Group-wide Corporate Citizenship Concept contains sponsorship criteria in order to position our self more strategically. The foundations we have set up play an important part in this, making a significant contribution to sustainable development globally.

FS6	<p>Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector</p> <p>Gross premiums written: €49,572m</p> <p>By business line:</p> <p>Reinsurance Life and health insurance: €9,602m Property-casualty insurance: €16,903m Total: €26,5m</p> <p>Primary insurance Life: €6,263m Health insurance: €5,717m Property-casualty insurance: €5,637m Total: €17,6m</p> <p>Munich Health Total: €6,133m</p> <p>By region:</p> <p>Germany: €14,423m Rest of Europe: €12,783m North America: €14,864m Asia and Australasia: €4,978m Africa, Near and Middle East: €988m Latin America: €1,536m</p> <p>Consolidation: -€683m</p>	<p><b>Group annual report 2010/Consolidated financial statements and notes</b></p> <p>“Notes to the consolidated financial statements”: p. 161 ff.</p> <p>» Download (PDF, 11.0 MB)</p>	Full
FS7	<p>Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose</p> <p>Our General Investment Guidelines stipulate that 80% of our own investments in shares and bonds should satisfy sustainability criteria. These SRI criteria include human rights issues.</p> <p>Our asset management arm, MEAG, offers three sustainable investment funds: MEAG Nachhaltigkeit, MEAG KlimaStrategie and MEAG FairReturn. In total, €150.5bn (end of Q4 2011) of our total assets comply with SRI criteria.</p> <p>With different regional focuses and investment strategies, MEAG embeds ESG in asset management and offers corresponding products and services.</p>		Full

FS8	<p>Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose</p> <p>Our General Investment Guidelines stipulate that 80% of our own investments in shares and bonds should satisfy sustainability criteria. In the coming years, we intend to invest €2.5bn in renewable energies and corresponding new technologies. Furthermore, we project a premium volume in the mid three-digit million range from insurance products for renewable energy.</p>		Full
FS9	<p>Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures</p> <p>Munich Re's environmental management system (EMS) is certified to ISO 14001, and our Code of Conduct and environmental guidelines are geared to and support this system. Our externally certified environmental management system also monitors compliance with internal sustainability criteria and targets concerning our core business.</p>	<p><b>CR portal</b> » Environmental management</p>	Full
FS10	<p>Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues</p> <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 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 UN Principles for Responsible Investment reinforces the relevance of such issues to our relationships with our partners. Although engagement cannot be tracked at a global level, MEAG does engage with companies in its investment portfolio, particularly those included in its socially responsible investment funds.</p>		Full
FS11	<p>Percentage of assets subject to positive and negative environmental or social screening</p> <p>As early as 2002, we decided that our investments in shares, corporate bonds and bank bonds should meet certain sustainability criteria. In 2005, this requirement was set out in our Group-wide General Investment Guidelines (GIGs) and extended to government bonds. Since then, the Group has tried to place at least 80% of the market value of these investments in securities listed in the Dow Jones Sustainability Index or defined by additional sustainability ratings. As at 31 December 2011, 82.1%, of our investments in shares, government, corporate and bank bonds met these criteria.</p>	<p><b>CR portal</b> » Sustainable investments</p>	Full
FS12	<p>Voting polic(y/ies) applied to environmental or social issues for shares over which the reporting organisation holds the right to vote shares or advises on voting</p> <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. Munich Re has relatively low shareholdings in other joint-stock companies at the present time (as at 31 December 2011, 4.4% of total investments). We exercise our right to vote primarily at the annual general meetings of German companies, since exercising such rights outside Germany entails substantial costs. Consequently, we do not appoint proxy voters in this connection.</p> <p>MEAG also holds in-depth talks with individual companies aimed at improving their SRI performance.</p>		Full
FS13	<p>Access points in low-populated or economically disadvantaged areas by type</p> <p>Microinsurance is playing an increasingly prominent role within Munich Re and globally because recent natural catastrophes have tended primarily to affect people whose financial means are extremely limited. Munich Re is working with MFIs, NGOs and other major players in this field.</p> <p>In close collaboration with the important players (e.g. MFIs, NGOs), Munich Re is active in this market, all business lines included. We analyse selected markets and develop insurance solutions for our business-to-business and business-to-consumer business.</p> <p>Some examples:</p> <ol style="list-style-type: none"> <li>1. Cooperation with CLIMBS on weather index related insurance (Cooperative Life Insurance &amp; Mutual Benefit Services, Philippines).</li> <li>2. Munich Climate Insurance Initiative (MCII): The Munich Climate Insurance Initiative (MCII) was initiated by Munich Re in April 2005 in response to the growing realisation that insurance solutions can play a role in adaptation to climate change, as suggested in the Framework Convention and the Kyoto Protocol.</li> <li>3. ERGO offers microinsurance through a suite of products ranging from life to crop insurance.</li> </ol>	<p><b>CR portal</b> » Microinsurance in reinsurance » Microinsurance in primary insurance » Munich Re Foundation</p>	Full



4. The Munich Re Foundation organises the world's biggest microinsurance conference.

FS14	<p>Initiatives to improve access to financial services for disadvantaged people</p> <p>Munich Re offers a number of insurance products specifically geared to the needs of disadvantaged people, including microinsurance products available in emerging and developing countries like India and the Philippines.</p> <p>Our Indian subsidiary offers a large selection of microinsurances from the non-life sector. These include health, personal accident and fire insurances as well as cover for loss of livestock (which especially in rural areas can be vital to survival for each household), damage to tractors, or crop failure as a result of extreme weather events. HDFC ERGO works with renowned microfinance institutions, country-based businesses, cooperatives and other rural associations.</p> <p>In 2010, on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), Munich Re and GIZ (German Agency for International Cooperation) collaborated with the Philippine cooperative insurance company Coop Life Insurance &amp; Mutual Benefit Services (CLIMBS) in launching a microinsurance product to protect the loan portfolio of cooperatives against losses from extreme weather events in the Philippines. A core concern is to pass on the benefits to end customers in low-income households.</p> <p>Microinsurance is also a major topic addressed by the Munich Re Foundation, which among other things organises the world's biggest microinsurance conference (last held on 8 to 10 November 2011 in Rio de Janeiro, Brazil; next conference scheduled for 6 to 8 November 2012 in Dar es Salaam, Tanzania). Other products are tailored to the needs of specific social groups in industrialised countries, examples being personal accident covers for senior citizens and combined health insurance and assistance policies.</p> <p>DKV offers special health insurance products for elderly policyholders struggling to pay the full insurance premium in their respective health insurance plans. The "Standardtarif" offers health insurance cover at the level of the compulsory government health insurance plan. A similar product has been introduced with the "Basistarif" for all policyholders. With these new products, DKV is providing affordable health insurance schemes to the community. We also provide insurance coverage for HIV-infected people.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"><li>» Microinsurance in reinsurance</li><li>» Microinsurance in primary insurance</li><li>» Munich Re Foundation</li></ul> <p><b>Links</b></p> <ul style="list-style-type: none"><li>» Microinsurance conference</li></ul>	Full
FS15	<p>Policies for the fair design and sale of financial products and services</p> <p>In accordance with our codes of conduct, we are fair and open in our business relations. Munich Re endeavours to give clients the best possible advice and the information they need to take sound decisions.</p> <p>We try to avoid potential conflict with the interests of our clients and other business partners. Should such problems arise nonetheless, we make every effort to resolve them speedily. Munich Re's Code of Conduct also contains data protection guidelines.</p> <p>Munich Re's product and service range – from development and marketing to the conclusion of business – is subject to strict quality controls. Transparency is important to us, and we are keen to ensure information on our products and services and the corresponding conditions is clearly expressed. Likewise, providing clear, coherent communications, beyond what is required by law, is one of ERGO's value propositions. Customer queries can be dealt with through personal contact with one of ERGO's many representatives.</p> <p>After a major restructuring process within ERGO, a campaign for fair and easy perception of all ERGO products was conducted in 2011 for more transparency and open communication. With its "clear language" initiative, the ERGO Insurance Group intends to put communication with its customers on a new footing. The aim is to make communication easier for customers to understand. Lack of understanding is often the source of avoidable customer dissatisfaction with insurance companies. These criteria relating to the content, form and language of customer communication are meant to serve as a guide and a checklist for employees. ERGO will check texts for readability using special software and establish a minimum standard before the text is put to use.</p> <p>Clarity also means concentrating on the information which customers need to know.</p> <p>In the reinsurance context, we aim to be our clients' preferred partner in risk, delivering solutions in the form of a broad range of products. Clients benefit from our strengths in financing issues and our expertise where risk is concerned.</p> <p>We further enhanced our client management in 2008 by</p>		Full



restructuring our client services within the individual divisional units. Our new client management approach aims to achieve uniform quality standards and more effective teamwork. Each cedant accordingly has its own contact person who knows the needs and individual characteristics of that particular client and market, such close relations enabling us to give clients tailored, constructive advice. Every year, we organise over 100 client seminars and workshops in Munich and at our other branches. Our connect.munichre client portal is one of our major client management assets. It gives cedants 24/7 global access to our services, analyses, tools and divisional unit information. The portal assists insurers in their day-to-day business, emphasising that Munich Re is a direct, reliable source to which clients can turn for information.

Compliance with the new standards is ensured using broad internal quality assurance procedures. New means of communication must meet the requirements in full, and existing ones are being successively reviewed and adapted.

FS16	<p>Initiatives to enhance financial literacy by type of beneficiary</p> <p>Financial literacy and competence are key to Munich Re and our business. Our aim is to minimise the risk that clients will not understand our products and services or will be insufficiently informed about them, and so we organise initiatives and take part in activities designed to increase literacy and competence in this area.</p> <p>MEAG belongs to Germany's BVI Bundesverband Investment und Asset Management, which advocates giving prospective shareholders and stakeholders better information, launching for instance the "Hoch im Kurs" ("At a premium") publication for schools in May 2006. The latest issue appeared in May 2010.</p> <p>To promote awareness for mathematical – and thus also financial – issues and the enjoyment of this subject, Munich Re's reinsurance and primary insurance business segments have sponsored the internet portals of the German (since 2001) and European (since 2009) Mathematical Societies. The core content of the European portal is currently defined by 14 project coordinators from across Europe and is updated on an ongoing basis. This international perspective on mathematics benefits all those interested or involved with the subject.</p> <p>In keeping with our efforts to inform our clients and the public about socially innovative insurance projects in the countries and regions concerned, the Munich Re Foundation holds its annual International Microinsurance Conferences in different emerging and developing countries. This offers experts from the financial, public, private and development cooperation spheres a broad platform for sharing experiences and ideas on challenges in this sector. In addition Munich Re offers a scholarship programme for business clients in order to prepare them for challenges of the global insurance industry.</p>	Full
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\*GC: Global Compact

## SRI INDICES, RATINGS AND AWARDS



## Munich Re corporate responsibility strategy rated positively

The open and transparent dialogue with our national and international stakeholders on implementing our strategy and commitment is an essential part of our corporate culture.

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

### Related topics

- » Management: Sustainable Investments
- » Management: Sustainability and Munich Re shares

### Actions

- » EXPAND ALL
- » COLLAPSE ALL

### ▼ SRI indices



#### Munich Re in the ASPI (based on Vigeo analysis)

Munich Re is listed in the ASPI (Advanced Sustainability Performance Index), which is made up of 120 companies with a good sustainability record. The index was launched by the French agency Vigeo in conjunction with Stoxx Ltd.

#### Carbon Disclosure Project

#### Munich Re's results in the CDP rating

Since the start of the CDP (Carbon Disclosure Project) ratings, Munich Re has been taking part in the » annual information request (PDF, 144 KB) and has consistently scored good results.



#### Munich Re listing in the DJSI since 2001

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



#### Munich Re in the ESI

Munich Re is listed in the ESI (Ethibel Pioneer Index), which is based on Vigeo's ratings. Ethibel is an independent SRI rating agency, specialised in socially responsible investments.



#### Munich Re listed in ethical indices

Munich Re has been listed in Italian asset manager ECPI's Ethical Index Euro, Ethical Index Euro and Ethical Index GLOBAL for many years.



FTSE4Good

#### In the FTSE4Good from the outset

Since the Financial Times and the London Stock Exchange launched the FTSE4Good in 2001, Munich Re has always been included. It serves socially responsible investors worldwide as a basis for taking their investment decisions.



#### Munich Re shares in KLD Global Climate 100 Index

Munich Re has featured in the FTSE KLD Global Climate 100 Index since 2005. KLD ranks Munich Re among the top 100 companies globally in terms of commitment to climate protection.



#### Munich Re: A recommended investment

Independent French financial institute Oddo Securities rates Munich Re a suitable SRI investment. Since 2008, Munich Re has also listed in the SRI European index investment universe. Munich Re was ranked "suitable" in an Oddo corporate governance survey.



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

The Global ESG Leaders Index represents leading companies from an ESG point of view. The list is based on analyses conducted by Sustainalytics.

### ▼ Ratings



#### Munich Re among best in sector

Bloomberg analyses and evaluates corporate transparency in environmental, social and governance (ESG) matters. Munich Re came in second in the insurance category in 2010. Bloomberg advises that clients using its 250,000 data terminals have access to all publicly available ESG

data from 2,000–3,000 companies.



**Above-average rating**

In the Goldman Sachs ESG Report, Munich Re's ESG score (68 out of a maximum 95) was well above the 53.3 overall average. Goldman Sachs offers global investment solutions.

**Manager Magazin: Imageprofile 2012**

**Best financial services provider according to "Imageprofile 2012"**

Munich Re enjoys an outstanding reputation among German companies in the financial sector. In its "Imageprofile 2012" study, "manager magazin" polled some 4,000 board members, general managers and senior executive staff.



**Very good rating**

Munich Re is rated A in ISS's ESG rating. ISS (formerly the RiskMetrics Group) is part of MSCI, a leading global provider of investment solutions.



**Prime rating**

Munich Re maintains its insurance sector best-in-class performance, having been awarded the "prime" corporate responsibility accolade again in 2010 by oekom research, one of the world's leading SRI rating agencies.



**Munich Re qualifies as a sustainable investment product**

Munich Re's performance in Sarasin Bank's 2010 ratings was again significantly above the average, qualifying it to be rated a sustainable investment product by the bank.



**First place in the insurance sector rating**

Munich Re occupies first place in Sustainalytics' rating for the insurance sector.

▼ Awards



**BOMA Awards for Munich Reinsurance America, Inc. and Munich Reinsurance Company of Canada**

The office buildings of Munich Reinsurance America, Inc. and Munich Reinsurance Company of Canada receive awards from the Building Owners and Management Association (BOMA) for their energy efficiency.

**Caring for Climate Initiative**

**Munich Re among the top 25 worldwide in the Caring for Climate Initiative**

In its company rating, the Caring for Climate Initiative takes account of the company's environmental performance and business strategy with regard to climate risks and the opportunities involved.



**Munich Re awarded the DZ Bank's sustainability label**

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

**General Reinsurer of the Year Award**

**Reinsurer of the Year Award for Munich Re**

Munich Re wins the General Reinsurer of the Year Award at the Singapore International Reinsurance Conference. The prize was awarded for Munich Re's commitment to mastering the consequences of the 2011 natural catastrophes in Asia.

**Newsweek Green Ranking**

**First place in Newsweek's Green Rankings**

Munich Re achieves first place on Newsweek's 2011 Green Rankings list, which takes into account a company's environmental impact and measures for reducing this impact as well as the quality of its reporting.



**Reinsurer of the year in the MENA**

Munich Re was nominated reinsurer of the year for the MENA (Middle East and North Africa) and presented with the MENA 2012 Insurance Award.



**Silver Class rating for Munich Re**

For the second consecutive year, Munich Re has been included in the Silver Class of the best and most sustainable companies by SAM Group Holding

AG, which assesses the sustainability performance of all global players and determines the composition of the Dow Jones Sustainability Indices.

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MEMBERSHIPS AND PARTNERSHIPS










Partnerships, initiatives and foundations

For Munich Re, corporate responsibility means actively taking part in cooperation partnerships and systematically promoting initiatives. Besides this, the foundations set up by Munich Re constitute a central component of our social commitment.






▼ Partnerships and memberships

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

	Charter of Diversity (ERGO Insurance Group only)
	Global Climate Forum
	Munich Climate Insurance Initiative (MCII)
	Principles for Sustainable Investment (PRI)
	Principles for Sustainable Insurance (PSI)
	Environmental Pact of Bavaria
	UNEP Finance Initiative
	UN Caring for Climate
	UN Global Compact

▼ Initiatives and sponsorships

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

	3-2-1 Ignition
	CaFée mit Herz e.V.
	German Mathematical Society
	European Mathematical Society
	ergo: wir helfen e.V.

External links

» Responsibility and dialogue at ERGO

Actions

» EXPAND ALL  
» COLLAPSE ALL





Helfende Hand e.V. ("Helping hand" schools project)



Interkultureller Rat in Deutschland e.V.  
(Intercultural Council in Germany)



Klasse in Sport



London School of Economics (LSE)



Madeleine Schickedanz-KinderKrebs-Stiftung  
(Madeleine Schickedanz Children's Cancer Foundation)



Munich University Society



SingPause (schools singing project)



Association for the Promotion of Science and Humanities in Germany



Stiftung Pfennigparade ("Penny Parade" Foundation)

#### ▼ Foundations

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



ERGO Youth & Future Foundation



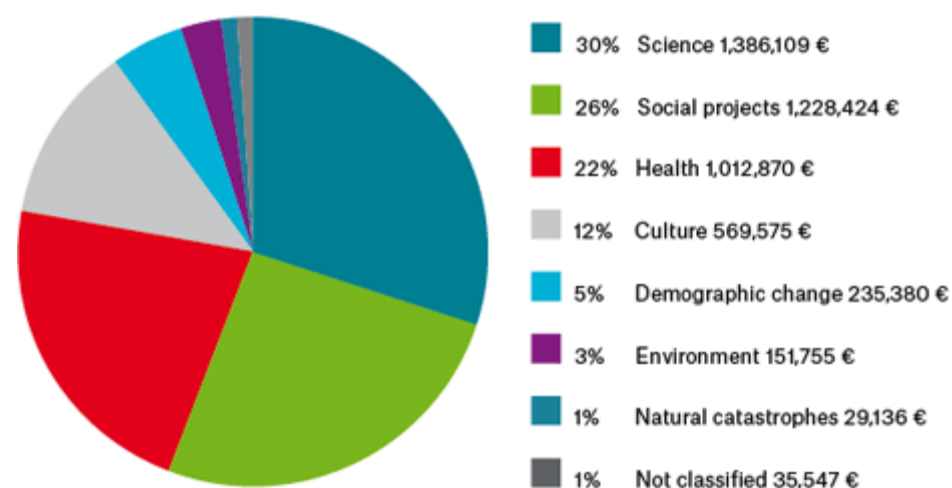
Munich Re Foundation



Dr. Hans-Jürgen Schinzler Foundation

#### ▼ Corporate citizenship expenses of Munich Re (Group) in 2011

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



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

In 2011, Munich Re (Group) spent more than €4.5m on donations, sponsorship and

membership of charitable institutions.

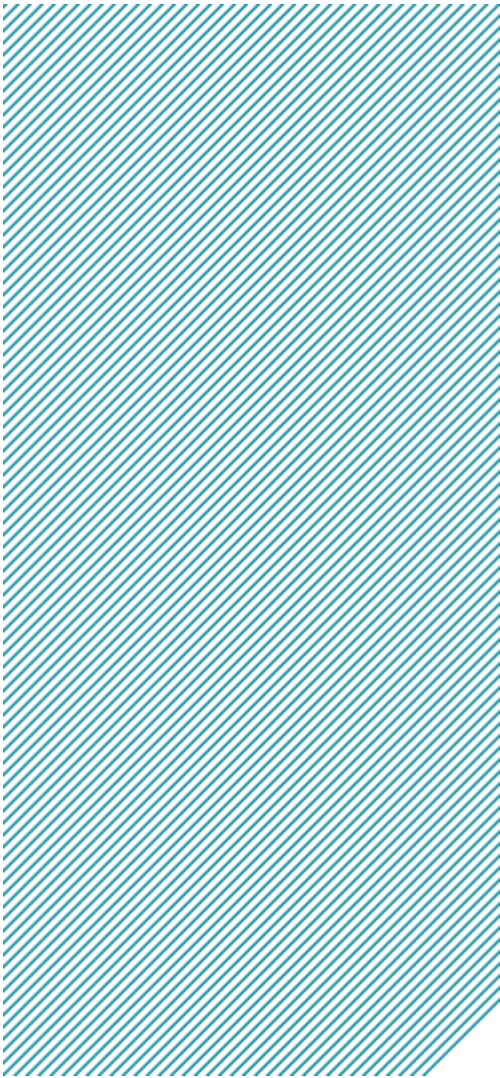
This social engagement is supplemented by our three corporate foundations. The Munich Re Foundation, ERGO's Youth & Future Foundation, and the Dr. Hans-Jürgen Schinzler Foundation provided funding of various projects in 2011 amounting to nearly €1.7m (not including administrative expenses).

The time staff spent on corporate volunteering activities came to approximately €133,000.

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MUNICH RE >	STRATEGY AND CHALLENGES	MANAGEMENT	SOLUTIONS	COMMITMENT	FACTS AND FIGURES	
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## Imprint

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Commercial Register Munich, No. HRB 42039

Supervisory authority: Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Bonn

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Group Communications

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