

# Corporate Responsibility

## Short Report 2014/2015



Corporate responsibility is an essential component of our Group strategy and a standard that applies in all areas of the Group. This short report provides an overview of how we fulfilled our corporate responsibility in the 2014 financial year.

More information on our current measures and projects, along with detailed data material, is available from our corporate responsibility portal at [www.munichre.com/cr](http://www.munichre.com/cr).

---

p. 01	Foreword
p. 02	Strategy
p. 04	Main challenges
p. 06	Corporate governance
p. 07	Responsibility in business
p. 12	Employees
p. 14	Environment
p. 16	Corporate citizenship
p. 18	Key figures
p. 19	Ratings and awards
p. 20	Imprint



“We can assess risks even better.”

Interview: Dr. Astrid Zwick, Head of Corporate Responsibility, and Stephan Lämmle, Corporate Insurance Partner, Munich Re, on the importance and concrete implementation of “responsible business practices” in our core business.

p. 10



**Dr. Nikolaus von Bomhard**  
Chairman of Munich Reinsurance  
Company's Board of Management

Ladies and gentlemen,

Our business environment over the last year has been affected by a series of different events. One particularly depressing aspect is the extent of destructive geopolitical conflicts, in conjunction with serious epidemics and economic uncertainty. Topics with long-term significance, such as climate change and demographic trends, have been eclipsed as a result, but remain matters of urgency for ourselves as insurers. There are also new challenges emerging – which happily offer opportunities as well – from the diverse manifestations of digitalisation.

As a globally active Group, an industry leader and significant investor, we remain committed to acting responsibly and sustainably in dealing with such large-scale developments. In the complex world we live in, it is often difficult to assign responsibilities clearly, but this should be no excuse for hesitancy. We intend to face up to the challenges and play our part in responding to them, something that we often succeed in doing directly through our business operations.

At the same time, we want to create long-term value for our stakeholders in our core business of primary insurance and reinsurance. We go beyond what is required by law and have committed ourselves to meeting more stringent standards. These include the UN Global Compact (UNGC), the Principles for Responsible Investment (PRI), and the Principles for Sustainable Insurance (PSI). We systematically allow for sustainability criteria along the entire value added chain. Accordingly, the bulk of our investments in shares, government and corporate bonds meet recognised sustainability standards.

We shall soon be reaching an important milestone in terms of our carbon footprint, in other words the immediate impact of our business operations on the environment. The entire Group will be carbon-neutral by the end of 2015. But we have no intention of resting on our laurels, and are already developing further ambitious targets to improve our interaction with the environment.

As a general rule, our social commitment is focused on our core business activities. In the future, we will be supporting additional projects where we can both actively contribute and expand our risk expertise. By doing so, we hope to achieve a higher degree of efficiency for the projects, while generating valuable ideas for our employees, along with positive feedback for our business.

Munich Re has received numerous awards for its responsible and sustainable business practices, the most recent of which was the German Investors' Award in December 2014. I am particularly pleased about this award, because it validates our approach and is an acknowledgement of our efforts in this area.

I wish you a stimulating read.

A handwritten signature in black ink, appearing to read 'N. von Bomhard'. The signature is fluid and cursive, written in a professional style.

**Nikolaus von Bomhard**

June 2015



» Our goal is to take on global challenges and use our knowledge, experience and creativity to create innovative and sustainable solutions. «

THOMAS BISCHOF  
Head of Group Development, Munich Re

## Strategy

**Our business as an insurer and reinsurer is the professional handling of risks. We create value by using our extensive risk knowledge and professional underwriting techniques to make risks from many different areas of private and economic life manageable – for our clients and for us. In this manner, we contribute to sustainable development and offer assistance in maximising opportunities and meeting current challenges.**



Acting responsibly and looking ahead are Munich Re’s maxims, and by following them we ensure that we create sustainable value for our clients, shareholders and employees, and for society. Our activities are based on a corporate responsibility strategy that has been laid down in our Group’s core principles. Competence for corporate responsibility has been bundled in a special department in the Group Development Division at our headquarters in Munich. This department develops the Group’s strategy and reports direct to the Chairman of the Board of Management of Munich Re Group.



Our Group-wide sustainability strategy focuses on the integration of ecology, social responsibility and corporate governance (the “ESG” factors: environmental, social and governance) into our business and investment management along the entire value chain.



Via a systematic environmental management system and our social commitment in the form of donations, sponsoring, corporate volunteering and through our foundations we achieve the best possible results for the general public and for our environment.



### Commitment to sustainable management

By signing the Principles for Responsible Investment (PRI) and the Principles for Sustainable Insurance (PSI), we have made a commitment to sustainable management that is also outwardly apparent. Our investment decisions have been subject to sustainability criteria since 2006, the year in which we signed the PRI.

Since 2012, the Group Corporate Responsibility Committee (GCRC), which spans all business segments has been in charge of Group-wide steering and coordination of our

corporate responsibility activities. This Committee advises the Board of Management on the further development of our sustainability strategy and recognises and focuses on sensitive topics, on which we develop positions that apply Group-wide. These are then implemented by the business fields in the form of orientation aids and binding guidelines for our employees.

### Intensifying dialogue with stakeholders

The strategy also includes ongoing and open dialogue with our stakeholders. As a result of this we have specified six key topic areas: Climate change, vulnerability of economies, demographic change, access to financial solutions for sections of the population with poor economic integration in developing and emerging countries, and emerging risks and digitalisation. We bring our multi-faceted expertise gained over many years into play and contribute to the solution of global problems with our innovative products and defined insurance covers.

# 8

We have already addressed 8 sensitive topics and developed positions on these which apply Group-wide.

## FIELDS OF ACTION OF OUR CORPORATE RESPONSIBILITY

Strategy and governance	Corporate responsibility in business	Environmental management	Corporate citizenship	Reporting and communication
<ul style="list-style-type: none"> <li>- CR<sup>1</sup> objectives and fields of action</li> <li>- Compliance with UN Global Compact Principles</li> </ul>	<ul style="list-style-type: none"> <li>- Integration of CR-issues into (re)insurance business (PSI<sup>2</sup>)</li> <li>- Integration of CR into asset management (PRI<sup>3</sup>)</li> </ul>	<ul style="list-style-type: none"> <li>- Group-wide carbon neutrality</li> <li>- Global environmental management strategy</li> </ul>	<ul style="list-style-type: none"> <li>- Active governance of social responsibility and community involvement</li> </ul>	<ul style="list-style-type: none"> <li>- Group-wide CR web portal</li> <li>- Group-wide CR reporting</li> <li>- Position in major SRI ratings</li> </ul>



### CORE ACTIVITIES

<sup>1</sup> CR = Corporate Responsibility  
<sup>2</sup> PSI = UN Principles for Sustainable Insurance (signed by Munich Re in 2012)  
<sup>3</sup> PRI = UN Principles for Responsible Investment (signed by Munich Re in 2006)

Source: Munich Re



More on the topic of strategy can be found at [www.munichre.com/cr/strategy](http://www.munichre.com/cr/strategy)

# Main challenges

The world around us is a dynamic one, and values and expectations are changing, with new challenges calling for targeted, innovative solutions, which need to be subject to appropriate regulations fostering responsibility.

Our expert analyses, the close partnership and dialogue with our stakeholders and the cooperation with international initiatives contribute to the better assessment of strategic decisions and their implementation in target-oriented activities. The following overview highlights the topic areas relevant for us:



## Climate change

Munich Re has been analysing natural hazards and climate change for more than 40 years. Our extensive knowledge of geophysical, weather and climate risks enables us to develop standardised and tailor-made risk-transfer solutions for our clients and to manage our own risks. We can thus make an active contribution to climate protection as an insurer – be it as a risk carrier with special coverage concepts for new, low-carbon technologies or with a responsible investment strategy and investments in renewable energy sources and energy saving measures. And we are also reducing our own emissions.



[www.munichre.com/cr/climate-change](http://www.munichre.com/cr/climate-change)



## Vulnerability of economies

Natural catastrophes can imperil entire economies. Economic losses caused by the forces of nature impact economic output, public finances and foreign trade. Munich Re provides support as a reliable (re)insurance partner for the rapid and sustainable recovery of economies and capital markets. Through partnerships, initiatives and our experience in catastrophe prevention we help strengthen the resilience of afflicted countries.



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



## Access to financial solutions

Millions of people, primarily in developing countries, lack adequate insurance cover and capital for investment. At the same time, it is precisely these countries that are particularly hard hit by natural catastrophes. Munich Re has entered into public-private partnerships and microinsurance cover arrangements in these countries in order to contribute to the development and propagation of innovative insurance solutions in both primary insurance and reinsurance business.



[www.munichre.com/cr/financial-solutions](http://www.munichre.com/cr/financial-solutions)



### Demographic change

Worldwide population growth, increasing life expectancy as a result of changes in working conditions and better medical care, greater prosperity in many countries: Demographic change is altering our society and presenting new challenges for the insurance industry because of the heavier burden it places on social security systems. Munich Re draws on the extensive specialist knowledge within the Group to meet this evolution in the form of customised products in its various business fields.



[www.munichre.com/cr/demographic-change](http://www.munichre.com/cr/demographic-change)



### Digitalisation

Digitalisation is triggering a revolution in the business world. For us as insurers, it presents an equal number of opportunities and risks. "Big data" applications, for example, make it possible to assess risks more precisely at an earlier stage, and to offer solutions for risks that were previously uninsurable. At the same time, the question is being raised of how to ensure responsible handling of sensitive data. Munich Re is aware of this responsibility and is advocating the establishment of secure, transparent and thus trustworthy parameters for digital solutions.



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



### Emerging risks

As a result of the rapid pace of technological development, of changes in our climate and environment, and transformation in societies and industries, events repeatedly occur that push the boundaries of standard risk management. Munich Re has the expertise needed to identify new kinds of risk, to analyse their potential impact and to quantify the related loss scenarios. In this way, we help to reduce risks, while supporting technological progress with innovative insurance solutions.



[www.munichre.com/cr/emerging-risks](http://www.munichre.com/cr/emerging-risks)



*This is how we determine our main challenges:*  
[www.munichre.com/cr/materiality-analysis](http://www.munichre.com/cr/materiality-analysis)

# Responsible corporate governance

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

Owing to our international corporate structure, we are subject to a plethora of national and international legal systems, standards and corporate governance regulations. In Germany, where Munich Reinsurance Company has its headquarters, the pertinent corporate governance rules are chiefly set out in the Stock Corporation Act (AktG) and the German Corporate Governance Code. Within the Group, our own Munich Re Code of Conduct binds our management and staff members to ethically and legally impeccable conduct. Since 2013, the principles of the United Nations Global Compact have also been integrated in this Code of Conduct. At the same time, corporate and Board of Management objectives aligned with sustainability and financial considerations ensure that entrepreneurial decisions are always made on the basis of long-term meaningfulness and value preservation.

It is thus quite correct that risk management is a central component of our corporate management: Effective risk management underpins our financial strength, enables us to meet our obligations to clients, creates sustained value for our shareholders and protects our reputation. In order to fulfil these functions as well and as efficiently as possible, Munich Re has set up corresponding risk management structures and committees.

## Risk management

Supported by decentralised structures, our Integrated Risk Management Division (IRM) is responsible for risk management Group-wide. Our Group Corporate Responsibility Committee (GCRC), founded in 2012, focuses in particular on risks that present themselves in the company of so-called "sensitive topics", for example Arctic oil drilling or agricultural investments. This area is growing and thus supporting risk management in the assessment of ever-changing social and economic parameters which may create risks in the future.

As a globally operating Group, Munich Re assumes corporate responsibility along the entire value added chain. We thus also consider ecological, social and governance (ESG) criteria in the procurement of goods and services, even if an insurance group is far less dependent upon suppliers than the manufacturing industry is. Our purchasing principles ensure that our suppliers also observe and adhere to the ten principles of the UN Global Compact.

We also take a responsible approach to the topic of lobbying and endeavour to ensure our activities are transparent. We therefore provide details to the transparency register of the European Parliament and the European Commission on focal points, memberships and the cost of our lobbying activities.

---

> 100

Our global emerging risk community comprises over 100 experts who investigate the possible impact of new types of risk on our business.



More on corporate governance at  
[www.munichre.com/cr/corporate-governance](http://www.munichre.com/cr/corporate-governance)



» With the implementation of the Principles for Sustainable Insurance, we are adding another dimension to our risk management. «

---

DR. TORSTEN JEWORREK  
Member of Munich Re's Board of Management

## Responsibility in business

**We are convinced that our business concept can only be successfully realised in the future through sustainable and responsible action. For that reason, the focus of our corporate responsibility – the assumption and diversification of risks in primary insurance and reinsurance, and also investment – is on our core business. We thus expand our risk management and tap into business potential with sustainable solutions.**

We can only achieve our objective of sustainable economic value creation if our products and services make equal allowance for economic, ecological and social requirements. In our core business, by taking into account environmental, social and governance aspects (ESG aspects), we can achieve the maximum effect for our Group and for society. With this approach we can identify the risks more comprehensively and minimise these in partnership with our clients. Specifically targeted allowance for ESG aspects can reveal previously unidentified risks and provide starting points for developing new products and solutions.

With our Corporate Responsibility in Business framework (see diagram on p. 9), we ensure resolute allowance is made for ESG aspects in the individual business fields, with the respective operational unit taking responsibility.

Our objective is to ensure that all employees, irrespective of the business field or the function they work in, are aware of and comply with the Group's voluntary commitments. Training programmes, individual advice and the fostering of open communication amongst one another and with managers enable our staff to actively consider the relevant ESG aspects in their own day-to-day work. In this way, they become competent contacts for their clients and exemplify our corporate responsibilities.

---

~ 200

underwriters and client managers have received training on the ESG framework since early 2014.

## The overall focus is on the integration of ESG aspects

In reinsurance, the emphasis is on the integration of ESG aspects in the underwriting process and on dialogue with our clients and business partners. With Munich Health, the focus is on access to medical care, disease prevention and the management of chronic illness. ERGO's personal lines business is increasingly relying on its easy-to-understand products and a holistic sales advice approach, thus fulfilling the governance aspect. In the field of investment, MEAG's brief is to press ahead with the integration of ESG criteria and thus put into practice our voluntary commitments as part of the Principles for Responsible Investment (PRI).

We are also driving ESG integration forward in partnership projects: in the Global Resilience Project, Munich Re is involved in another Principles for Sustainable Insurance (PSI) initiative. This project hopes to achieve a change in perspective on the part of governments, NGOs, local authorities and companies, whereby they would invest more heavily in preventive measures for catastrophe risks, instead of spending funds on disaster response and reconstruction efforts.

## Creating solutions from knowledge and experience

With our range of insurance products we are servicing the need for innovative solutions arising from the global challenges of the present. We make use of the knowledge we have built up over decades, of the impact of climate change or engineering risks for example, to offer our clients tailored risk-management and risk-transfer services. In the following, we present a selection of solutions which reflect Munich Re's corporate responsibility.

On the underwriting side, Munich Re has been involved in renewable energy for many years and in developing innovative insurance solutions. For example, since the start of 2010 we have insured over 55 solar module manufacturers and projects, offering photovoltaic performance cover for up to 25 years. Last year, for the first time, we concluded a performance warranty cover for fuel cells. Thanks to our many years of experience, we can contribute on a global scale to making the risks of offshore wind turbine plants more calculable for all those involved in the project along the entire length of the value-added chain. Back in 2003, Munich Re became the world's first insurer to develop a policy covering the operator's costs for unsuccessful geothermal drilling projects as well.

HSB Engineering Insurance, a British Munich Re subsidiary, offers cover not only for installed plants, but also for the forecast savings. One focus of our primary insurer ERGO is on the photovoltaic market. With its reduced yield insurance, for example, ERGO offers an innovative extended cover which protects the owners of photovoltaic plants against financial losses if the annual energy yield falls short of that predicted owing to low reduced global solar radiation or defective components. ERGO attaches importance to the integration of ESG aspects in its personal lines insurance business and offers a multiplicity of insurance solutions that take account of ecological aspects.

As part of our Group-wide climate and investment strategy, we invest in global infrastructure projects which focus on renewable energy sources. By the end of the 2014 financial year, these investments totalled some €1.5bn. In the coming years, we will increase our investments in infrastructure to a cumulative total of €8.0bn, provided that secure situations can be found and a reasonable yield achieved.

STRATEGY CORPORATE RESPONSIBILITY IN BUSINESS

Core principles	Corporate responsibility in business is laid down in our core principles.
Objectives	<ul style="list-style-type: none"> <li>- Environmental, social and governance (ESG) aspects are anchored in the core business</li> <li>- Enhanced risk management</li> <li>- All employees are knowledgeable and apply ESG integration</li> <li>- Dialogue with all stakeholder groups</li> </ul>
Focus areas	<ul style="list-style-type: none"> <li>- ESG aspects</li> <li>- Sensitive issues</li> <li>- Reputational risk</li> <li>- Dialogue</li> <li>- Sensitisation</li> </ul>
Initiatives	Business fields develop and implement specific initiatives.
KPIs/Reporting	PSI <sup>1</sup> and PRI <sup>2</sup> reporting (contributions by all business fields)

<sup>1</sup> PSI = UN Principles for Sustainable Insurance (signed by Munich Re in 2012)  
<sup>2</sup> PRI = UN Principles for Sustainable Investment (signed by Munich Re in 2006)

Source: Munich Re

**€1.5bn**

Before the end of 2014, we invested €1.5bn in infrastructure projects focusing on renewable energy.

**Enabling access to financial solutions**

Through partnerships with the public sector, Munich Re contributes to the development and implementation of innovative risk transfer solutions as part of public-private partnerships. In partnership with primary insurers, other institutions and international NGOs, Munich Re offers microinsurances for people in exposed regions. We are thus able to play a part in mitigating the financial consequences of catastrophes in these countries. Our expertise has already been applied in numerous risk transfer solutions, for example in the Caribbean, in Africa and South America, and in the insurance of Pacific island states. In public-private partnerships, we work together with governments to find efficient solutions to issues such as regional food shortages.

Under the umbrella of the Munich Climate Insurance Initiative (MCII) and in collaboration with Munich Re, the Caribbean Catastrophe Risk Insurance Facility (CCRIF), and other partners, a weather-index-based insurance for individuals with low incomes was developed for the Caribbean islands of Jamaica, St. Lucia and Grenada. If pre-defined wind speeds or amounts of rainfall are exceeded, the Livelihood Protection Policy pays out to policyholders within a few days.

A further example for sustainable product development is the cooperation founded in 2014 with the Global Fund to combat the three major infectious diseases: AIDS, malaria and tuberculosis. With risk management and insurance expertise we are supporting the Global Fund in its task by recognising risks and countering these effectively with appropriate solutions.



More on the topic of "Responsibility in business": [www.munichre.com/crinb-en](http://www.munichre.com/crinb-en)

Get to know our sustainable solutions: [www.munichre.com/cr/solutions](http://www.munichre.com/cr/solutions)

Sustainability at ERGO: [www.ergo.com/en/responsibility](http://www.ergo.com/en/responsibility)



» We can assess risks even better. «

Interview: Dr. Astrid Zwick, Head of Corporate Responsibility, and Stephan Lämmle, Corporate Insurance Partner, Munich Re, on the importance and concrete implementation of “responsible business practices” in our core business.

### Responsibility in our core business – how does that work at Munich Re?

**Dr. Astrid Zwick:** External commitments such as the Principles for Sustainable Insurance provide a framework to guide all insurance companies in integrating corporate responsibility issues into their work. We have defined specific ESG (environmental, social and governance) criteria as core principles for our business. These aspects are incorporated into the risk assessment, for instance into assessments for major infrastructure projects like the construction of dams, tunnels and pipelines. This allows us to assess risks even better.

### Must underwriters always take these criteria into account?

**Stephan Lämmle:** Essentially, yes, they are a must. The question is: What does this entail in practice? All staff members are made aware that they need to pay attention to these issues. How they do so – whether they use separate documentation or integrate the criteria into their risk assessment – is up to them at present.

**Zwick:** We are still at the design stage of the ESG framework. This is no easy task, as we have a diverse and complex business. Developing risk assessments for different industry sectors and lines of business only works if we collaborate with our colleagues from the relevant business areas, who are best able to evaluate the relevant risks based on their specialist knowledge. We have developed expert assessments and

guidelines with the divisional units, setting out binding approaches for particularly sensitive topical issues. For example, there are specially adapted ESG questions for the production of crude oil from sand, fracking and mining, a panel of experts for drilling in the Arctic, while a precluding guideline applies for banned weapons such as cluster bombs and landmines.

### Why is meeting ESG criteria important for business?

**Lämmle:** Risk assessment for complex construction projects calls for a high level of expertise. In our case, these are usually projects worth billions that almost always come under public scrutiny and can involve environmental impacts or changes for the local population. Our coverage concepts allow such projects to be realised. By taking ESG criteria into account, we can help ensure this is done properly in keeping with our corporate responsibility. We attach great importance to complying with and improving standards. We also minimise possible risks to our reputation.

**Zwick:** Our risk management is becoming even more comprehensive, but it also identifies a client’s vulnerabilities because these are ultimately the business risks it faces.

**What do you do if ESG criteria are not met?**

**Lämmle:** If ESG criteria are not met, this generally reflects the overall quality of risk management for a project. In extreme cases, ESG aspects can lead to a decision not to sign a particular treaty. If a project involves serious deficiencies in relation to environmental issues or working conditions, or if there are actually indications of corruption, it is in Munich Re's own interest to distance itself from such clients and their business.

**What further measures are planned?**

**Zwick:** We continue to work Group-wide on integrating the guidelines available up to now into existing processes and regulations. We are also systematically identifying and analysing sensitive issues. For treaty business, the key is to engage in dialogue with the client. There are so many different sides to the topic!

**Lämmle:** We will therefore be holding further training sessions to raise awareness in these business segments. It is also imperative to anchor these issues even more firmly in people's minds and to take account of the views of our colleagues throughout our International Organisation.

**Zwick:** We provided training in this area in the autumn of 2014 for underwriters and client managers at our largest US business units. In 2015, the training sessions will be extended to Asia and Australia. Early feedback from our clients on our approach indicates that we are on the right track, and encourages us to continue the consistent integration of ESG aspects into our business.



*Find out more about our implementation measures in the individual business fields: [www.munichre.com/crinb-implementation](http://www.munichre.com/crinb-implementation)*



» Our aim is to attract the best people – through excellent working conditions and good opportunities for personal development. «

DR. PETER SEEMANN  
Head of Human Resources, Munich Re

## Employees



With their specialist knowledge, commitment and constant readiness to drive innovation, our staff are the guarantors of the Group's success. We create the conditions necessary for their personal development and performance in all areas. At the same time, we offer progressive work models to better reconcile work and private life.



Development opportunities at work and in private lives, with or without a family, are important objectives for personnel management at Munich Re. We create conditions that are among the most attractive in our sector. Munich Re offers its staff numerous different models and rules on flexible working conditions, interesting working hour models and needs-based support.



Munich Re promotes 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. Here we also have young employees in mind, whom we support through targeted training. As part of this, trainee programmes in the reinsurance group, ERGO and MEAG offer graduates interesting, challenging and widely diversified opportunities to start careers.

### Preserve health, enable flexible working



A long-term and important issue for both staff and the Group is the maintenance of good health and work-life balance. Flexible working hours and comprehensive healthcare programmes ensure that a high level of commitment is not to the detriment of family and health. At numerous locations, employees have access to medical care, sport and health-promoting facilities, and support in reintegrating after, for example, absence from work due to ill health.



Development opportunities at work and in private lives, with or without a family, are important objectives for personnel management at Munich Re. We create conditions that are among the most attractive in our sector. Munich Re offers its staff numerous different models and rules on flexible working conditions, interesting working hour models and needs-based support.

**31%**

of managerial staff in the Group are women.

**Strengthening diversity, providing development opportunities**

Diversity in the workplace also furthers achievement of our strategic goals. By introducing a diversity policy for the entire Group in 2011, Munich Re laid the groundwork for an overarching and comprehensive diversity management programme to promote diversity and embed it even more firmly. Our diversity targets are being implemented for each business-field in primary insurance and reinsurance, as well as for investment.

In the reinsurance segment and at Munich Health, we are using comprehensive management training opportunities to emphasise to managers the importance of diversity management. Internationally, we adapt measures to suit local requirements and conditions. At Munich Re of Africa in Johannesburg, for instance, the subjects of ethnicity and skin colour are of particular importance for historical reasons. Another initiative is the newly developed e-mail newsletter, "Diversity & Inclusion" of Munich Re US P&C Operations.

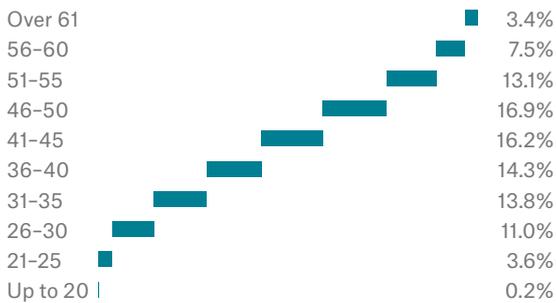
In 2015, ERGO received the top4women seal of approval. This employer emblem signals a company's holistic approach and stated intention to consistently expand the number of female employees with management potential, to cultivate their loyalty to the company, and offer them long-term career perspectives.

Another directly measurable success of our diversity management is the continuous increase in the percentage of management positions occupied by women in the Group over the past three years to its current level of 31.1%.

**STAFF AT MUNICH RE**

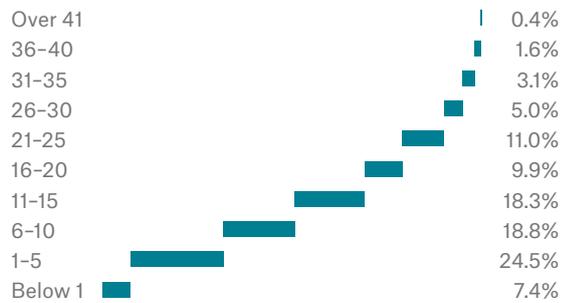
**Age structure of staff**

Average: 42.7 (42.5) years



**Length of service of staff**

Average: 12.4 (12.1) years



**Percentage of female staff**



**Percentage of female staff in management positions**



Source: Munich Re



More on the topic of "Employees" can be found at [www.munichre.com/cr/employees](http://www.munichre.com/cr/employees)



» For Munich Re, environmental protection has been part and parcel of our social responsibilities for many years. We are continually striving to improve our performance, and our business operations will be carbon-neutral by the end of 2015. «

ANJA HIRSCH  
Group Environmental Manager, Munich Re

## Environment

**Munich Re consumes as few natural resources as possible and uses eco-friendly materials to minimise our impact on the environment.**

# 86%

of employees Group-wide are working in units that are carbon-neutral.

By the end of 2015, we will have achieved an important objective: carbon neutrality throughout the entire Group. Our headquarters in Munich have already been carbon-neutral since 2009, and was followed in 2012 by the reinsurance group, Munich Health and ERGO Germany. The ERGO International companies and MEAG will also be carbon-neutral by the end of 2015.

Our carbon neutrality strategy has three pillars: the systematic reduction of CO<sub>2</sub> emissions by 10% (based on 2009 emissions) – Group-wide CO<sub>2</sub> emissions per employee are now less than 4 tonnes p.a.; the rigorous transfer of power supply at our locations to green electricity and a switch to fuel-efficient or electric company vehicles; compensation for remaining emissions through the purchase of emission allowances from carefully selected projects.

In our efforts to achieve our objectives, we are guided by a Group-wide environmental management framework, which has laid down ambitious environmental objectives and guidelines since 2012. By the end of 2014, 86% of Munich Re (Group) employees were covered by the environmental data, which forms the basis for all of the figures. Some 38% of our employees already work at locations with environmental management certified to ISO 14001.

A constant exchange of information, best practice and skills relating to environmental protection and management forms the cornerstone for our joint success in the Group. In addition to the regular network meetings of environmental managers, joint webinars and working groups are organised on specific topics to exchange views and information about important areas, such as improved data collection, energy efficiency and building management. At a strategy retreat meeting in December 2014, the environmental managers laid the groundwork for the new Munich Re environmental strategy from 2016.

In our environmental management system, we place value on modes of construction and operation that save resources and energy both for the premises we use ourselves and for property managed by our asset manager MEAG.

The MEAG head office in Munich was awarded the LEED certificate in Gold in 2013, and in 2014, the new DKV Seguros building in Saragossa was likewise certified to this standard.

67%

of power purchased worldwide by Munich Re was green electricity.



LEED Platinum certificate for Munich Re of America's conference and fitness centre.



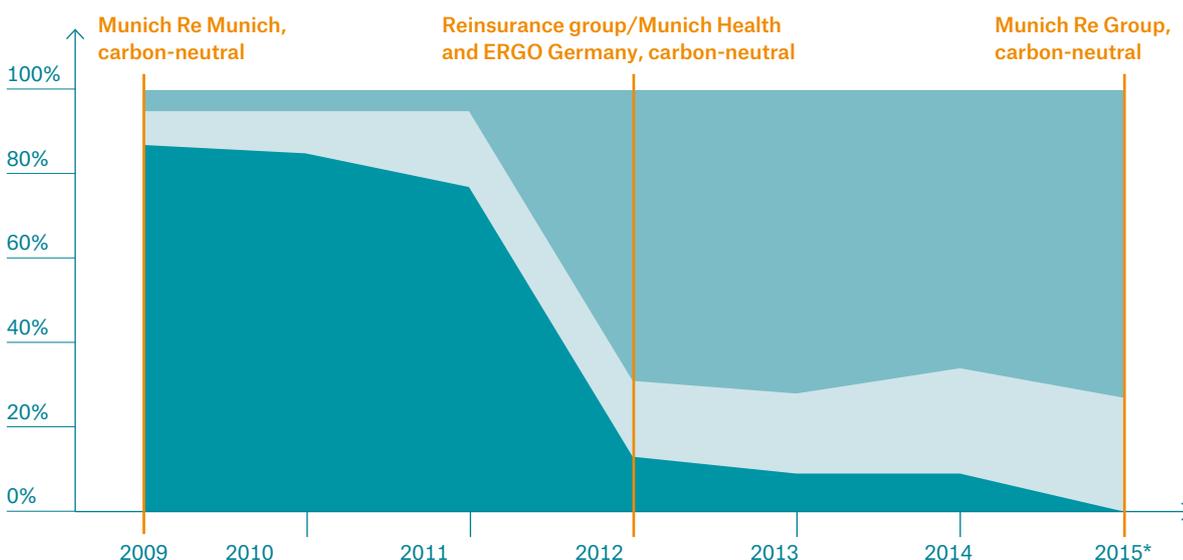
LEED Gold certificate for DKV Seguros' new building in Saragossa.

The Munich Re of America conference and fitness centre was even awarded the coveted LEED Platinum status at the start of 2015. The award recognised not only the building design, but also looked at the purchase of consumables and the users' modes of transportation in terms of sustainability criteria.

### Wide involvement and sharing of knowledge

Munich Re is committed to climate and environmental protection not only within the Group itself, but also nationally and internationally. For example, we are involved in the United Nations Environment Programme (UNEP FI), as a member of the board of the Global Climate Forum, initiator of the MCII and Chairman of the Financial Forum for Climate Change of the "Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstitutionen" (Association for Environmental Management and Sustainability in Banks, Savings Banks, and Insurance Companies).

### DEVELOPMENT OF CARBON NEUTRALITY AT MUNICH RE 2009-2015



- CO<sub>2</sub> emissions neutral through certificates
- CO<sub>2</sub> emissions neutral through green electricity
- CO<sub>2</sub> emissions not neutral

Source: Munich Re



More on the topic of "Environment" can be found at [www.munichre.com/cr/environment](http://www.munichre.com/cr/environment)



» The social commitment of large companies like Munich Re America increasingly shapes our societies. «

TONY KUCZINSKI  
President and Chief Executive,  
Munich Reinsurance America, Inc.  
Munich Re (Group)

## Corporate Citizenship

As a good corporate citizen, we base our commitment on our core competencies – this ensures that our expertise and financial resources achieve the maximum possible beneficial impact for society and the environment. Our three corporate foundations support us in this task with their broad range of activities.

**GEOHAZARDS INTERNATIONAL**  
A Nonprofit Working Toward Global Earthquake Safety

**RISK  
AWARD**

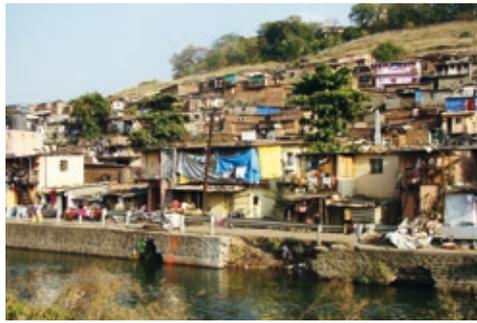
**LENBACHHAUS**

Our Group-wide corporate citizenship efforts focus on both social and cultural projects at our corporate locations and favours projects in areas closely related to our business. With the latter, emphasis is placed on resilience, i.e. the ability of ecosystems and societies to rebound from natural catastrophes. To this end, we specifically promote prevention projects in emerging and developing countries. We are also, however, highly committed to initiatives aimed at the protection of natural resources and the improvement of health.

### Strengthening resilience through expertise and involvement

Earthquakes are a constant risk in the north-eastern India. As a support measure for the people there, we are supporting a multi-year catastrophe prevention project. The aim of our partner, GeoHazards International, is to reduce the impact of earthquakes and landslides in the city of Aizawl. Most of the earthquake-prone city's 300,000 inhabitants live on hills or slopes. In the first phase of the project, the susceptibility to damage of the buildings and infrastructure was examined and a scenario developed, from which actual prevention measures can be derived. In a second project phase, GHI is supporting the city with implementation of the proposed measures and is training geologists, thereby ensuring improved safety for the population in the future too. At the same time, awareness talks and practice exercises showing people how to behave in the event of an earthquake were organised in many schools.

Catastrophe prevention and resilience are also important elements in the project portfolio of the Munich Re Foundation. The €100,000 RISK Award promotes resilience projects, with the Munich Re Foundation supporting implementation. It is awarded in cooperation with the Global Risk Forum in Davos (GRF) and the Secretariat of the International Strategy for Risk Reduction of the United Nations (UNISDR). In 2014, the award went to the Chilean Organisation ONG Inclusiva, which helps to better integrate disabled persons into catastrophe prevention.



The RISK Award 2015 was granted to the Indian city of Pune.



Houses at risk from earthquakes on a hillside in Aizawl, a city with 300,000 inhabitants in north-east India.

~ 6000

hours of voluntary work were performed by our staff on charitable projects in 2014.

The RISK Award 2015 on the theme of “Disaster risk reduction – People-centred, innovative and sustainable” was granted to the Indian city of Pune. The aim of the project is to improve protection in slum areas, of women and children in particular, against natural catastrophes.

In the USA, Munich Re America supports the Institute for Business and Home Safety (IBHS). Independent experts and scientists use natural disaster and hazard scenarios to verify the safety and building standards of private and commercial buildings. The results of this research are then used as recommendations for the US building commissions and regulations. This prevents damage and minimises risks of central importance not only for the population but also for insurers.

### Achieving social and cultural impact

For ten years now, we have been working together with the Pfennigparade Foundation, one of the largest support and education centres for people with physical disabilities in Germany. The Fundación Integralia of our subsidiary DKV Seguros in Spain and ERGO Hestia in Poland also use this successful integration model. At the same time we attach great importance to a good level of education. We are an active member of the Donors’ Association for the Promotion of Science and Humanities in Germany and promote scholarships in Germany. “Joblinge” in Munich and “Reading Corner” in the Chinese Province of Shandong are two examples of the numerous projects in education that we promote.

Our membership of several support and sponsor groups for cultural institutions in Munich, such as the Pinakothek Society or our partnership with the Städtische Galerie im Lenbachhaus, bear witness to our commitment to art and culture. “I got to have one of those” is the title of this year’s exhibition which is being held as part of the collaboration.

The corporate volunteering projects of our employees and the comprehensive range of activities of our corporate foundations complement our commitment to corporate responsibility. Since 2004, for instance, the Munich Re Foundation has staged the annual International Microinsurance Conference, in the context of its project portfolio, “From Knowledge to Action”. It is the world’s largest platform for this topic at international level. The Dr. Hans-Jürgen Schinzler Foundation coordinates our corporate volunteering activities in Munich, thereby promoting voluntary charitable work by our employees. The ERGO foundation Youth & Future supports several projects in Germany committed to a practical approach to the subject of “education” targeting specific groups of schoolchildren and young people.



Overview of the focal points of our commitment and the activities of the foundations:  
[www.munichre.com/cr/commitment](http://www.munichre.com/cr/commitment)

# Key figures

<b>Financial</b>		<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Operating result	€m	4,028	4,398	5,350	1,180
Consolidated result	€m	3,171	3,333	3,204	712
Return on equity	%	11.3	12.5	12.5	3.3
Dividend	€m	1,293	1,254	1,255	1,110
Dividend yield	%	4.7	4.5	5.2	6.6

<b>Environmental</b>		<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Employee coverage	%	86	87	85	83
Coverage by certified environmental management system	% of staff	38	38	32	31
Total CO <sub>2</sub> emissions*	kg per employee	3,911	3,885	3,944	4,168

\* Emission sources: direct emissions from primary energy consumption (natural gas, heating oil, diesel for emergency generators), indirect emissions from power supplied by third parties (purchase of electricity and district heating), other indirect emissions (business trips, fuel for company vehicles, paper and water consumption, waste, but excluding emissions from products and investments). Since 2011, we have been applying the Corporate value Chain accounting & Reporting Standard of the greenhouse gas Protocol (ghg).

<b>Employee figures</b>		<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
No. of employees as at 31 Dec.		43,316	44,665	45,437	47,206
Employees by segment	% Reinsurance	27.1	26.0	-	-
	% Primary insurance	65.9	67.4	-	-
	% Munich Health	7.0	6.6	-	-
Days' training	per employee	3.2	3.2	1.8	1.6
Percentage of management positions occupied by women (Group)	%	31.1	30.2	29.0	26.0
Employee turnover rate	% (weighted Ø of turnover rate)	11.8	10.6	9.2	12.5

<b>Corporate citizenship (CC) figures</b>		<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Total CC expenditure*		9,328,608 €	9,147,054 €	7,152,161 €	6,710,681 €

\* This amount comprises donations, sponsorships and memberships for science/education, social welfare, healthcare, culture, demographic change, the environment and natural catastrophes, plus donations in kind, political donations, corporate volunteering, ERGO foundations and Munich Re foundations.



You can find detailed key performance indicators at:  
[www.munichre.com/cr/facts-and-figures](http://www.munichre.com/cr/facts-and-figures)

# Ratings and awards

A selection of relevant ratings and awards



Munich Re receives Bronze Class distinction from RobecoSAM for the best and most sustainable companies. RobecoSAM assesses the sustainability performance of all global players and determines the composition of the Dow Jones Sustainability Indices.



Since the establishment of this rating in 2001, Munich Re has been an ever-present in the various FTSE4Good index series.



In Sustainalytics' industry rating, Munich Re earned the first place in the insurance sector in 2014. Since 2003, Munich Re has always achieved a "prime" rating, putting it among the best-in-class insurance companies.



In Société Générale's ESG rating for 2014/15, Munich Re is rated the industry leader, with 88.9 from 100 points, placing it among the top 30 "Best-in-universe" ESG-rated companies.

Deutscher Investorenpreis für verantwortliches Wirtschaften

Munich Re won the 2014 German Investors' Award for Responsible Business Practices.



Munich Re America received special recognition from the Building Owners & Managers Association (BOMA) for its ambitious energy saving programme.



In 2015, Munich Re was named "most innovative reinsurer" for the MENA (Middle East and North Africa) region and presented with the MENA 2015 Insurance Award.



All ratings and awards at a glance:  
[www.munichre.com/cr/ratings-awards](http://www.munichre.com/cr/ratings-awards)

# Imprint

© 2015  
Münchener Rückversicherungs-Gesellschaft  
Königinstrasse 107  
80802 München  
Germany  
Tel.: +49 89 3891-0  
Fax: +49 89 399056  
www.munichre.com

**Board of Management:**

Dr. Nikolaus von Bomhard (Chairman), Giuseppina Albo, Dr. Ludger Arnoldussen,  
Dr. Thomas Blunck, Dr. Doris Höpke, Dr. Torsten Jeworrek, Dr. Peter Röder,  
Dr. Jörg Schneider, Dr. Joachim Wenning

**Commercial register:** Local Court Munich, HRB 42039

**Supervisory authority:** German Federal Financial Supervisory Authority (BaFin), Bonn

**VAT registration number:** DE 129274139

**Responsible for content:**

Thomas Bischof, Head of Group Development  
Dr. Astrid Zwick, Head of Corporate Responsibility  
Dr. Philipp Hasenmüller, Consultant Corporate Responsibility

**Editorial deadline:** 20 May 2015

**Picture credits:**

Cover: Martin Barraud/Getty Images  
Table of Contents: Orla Connolly  
p. 1: Andreas Pohlmann  
p. 2: Christoph Bünten Fotografie  
p. 4 (1): Ashley Cooper/Corbis, (2) dpa Picture Alliance/Viktoria Yarmilko,  
(3): Philippe Lissac/Corbis  
p. 5 (1): plainpicture/ponton, (2) Mischa Keijser/Corbis, (3) Peter Adams/Corbis  
p. 7: Robert Brembeck  
pp. 10, 11: Orla Connolly  
p. 12: Munich Re  
p. 14: blende11 Fotografen  
p. 15: Munich Reinsurance America, DKV Seguros  
p. 16: Munich Reinsurance America  
p. 17: Münchener Rück Stiftung, Geo Hazards International (GHI)

**Disclaimer:**

This report contains forward-looking statements that are based on current assumptions and forecasts of the management of Munich Re. Known and unknown risks, uncertainties and other factors could lead to material differences between the forward-looking statements given here and the actual development, in particular the results, financial situation and performance of our Company. The Company assumes no liability to update these forward-looking statements or to conform them to future events or developments.

*This carbon-neutral print product was printed on FSC-certified paper.*



© 2015  
Münchener Rückversicherungs-Gesellschaft  
Königinstrasse 107, 80802 München, Germany

Order number 302-08614

