

# 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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## Earning trust – Corporate Responsibility at Munich Re

Dear Ladies and Gentlemen,

Munich Re lives from the trust people place in us. As one of the world's leading insurers, we give our clients the promise that we will always fulfil the obligations we assume under insurance contracts. That is why it has always been our aim as a company to act responsibly and, in this sense, corporate responsibility has been and will remain an integral part of our Group strategy.

Unacceptable incidents at ERGO that recently came to light show that we need more than ever to uphold the value of responsible conduct. We do not tolerate the failure of individual staff members or intermediaries to live up to their responsibility within the company, nor any actions that place our company in a bad light and tarnish its reputation. These events have had the effect of redoubling ERGO's efforts to achieve greater transparency, strengthen its client focus and provide better advice and consulting in keeping with the motto, "To insure is to understand". Of course, all the necessary consequences are being taken in the organisation, for example in compliance management.

Following the "Lehman" crisis, controversies over the stability of national economies and the future of the euro have once again culminated in extensive volatility on the capital markets. Thanks to our risk and investment management's orientation toward sustainable earnings, we are in a good position. By signing the United Nations' "Principles for Responsible Investment" (PRI) in 2006, we committed ourselves to adhere strictly to those principles. For example, we make at least 80% of our investments in shares and corporate and government bonds that satisfy sustainability criteria. And in the coming years, we intend to invest two-and-a-half billion euros in renewable energies and corresponding new technologies.

In 2011 alone, we have been able to expand our "renewable energies" (wind and solar) portfolio by about 160 megawatts to a total generated output of about 300 million kilowatt hours. This is equivalent to the annual consumption of a small city consisting of about 80,000 households.

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. Two relatively recent examples of this are new concepts for covering performance guarantees offered by manufacturers of wind farms and solar parks and the assumption of the exploration risk entailed in geothermal drilling operations. We are also actively working on formulating globally binding principles for the core business of insurance. Together with other major providers of financial services, we are taking part in the development of internationally recognised "Principles for Sustainable Insurance" under the auspices of the United Nations' Environment Programme.

We made our commitment to the values we hold dear a matter of public record in 2007 by joining the United Nations "Global Compact", the leading international standard for sustainable management. Integrated in our corporate responsibility portal, our annual progress report for the UN Global Compact documents our adherence to the ten principles set forth in this internationally recognised standard.

Open dialogue is important to us because it engenders understanding and trust. With this in mind, I hope you enjoy reading our portal.

Nikolaus von Bomhard  
Chairman of the Board of Management



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



GUIDING  
CONCEPT AND  
MISSION



## Corporate responsibility as an integral part of Group strategy

As a global reinsurance group, we make it a matter of principle to include in our business model forward-looking and responsible action throughout our organisation. This self-evident approach has so far been anchored in our guiding principles for corporate responsibility. Now, as part of a major strategic refocus, Munich Re has further developed these guiding principles. The result of this process is the new guiding concept and mission, which now make it even clearer that corporate responsibility is an integral part of Group strategy and permeates 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 CR. By further developing its principles, Munich Re's CR approach has been made even clearer and forms the basis of the strategy with three main focal areas. A suitable governance structure that ensures the principles are firmly established throughout the Group is still being developed.

Our new 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: We increasingly integrate ecological, social and governance factors (so-called ESG factors) in our core business and investments. In order to minimise the impact we have on the environment, we pursue a Group-wide environmental management system and are gradually making our business operations carbon neutral. Thirdly, on the basis of our corporate citizenship concept, we are committed to serving the communities in which we work and operate.

### Group objectives in focus

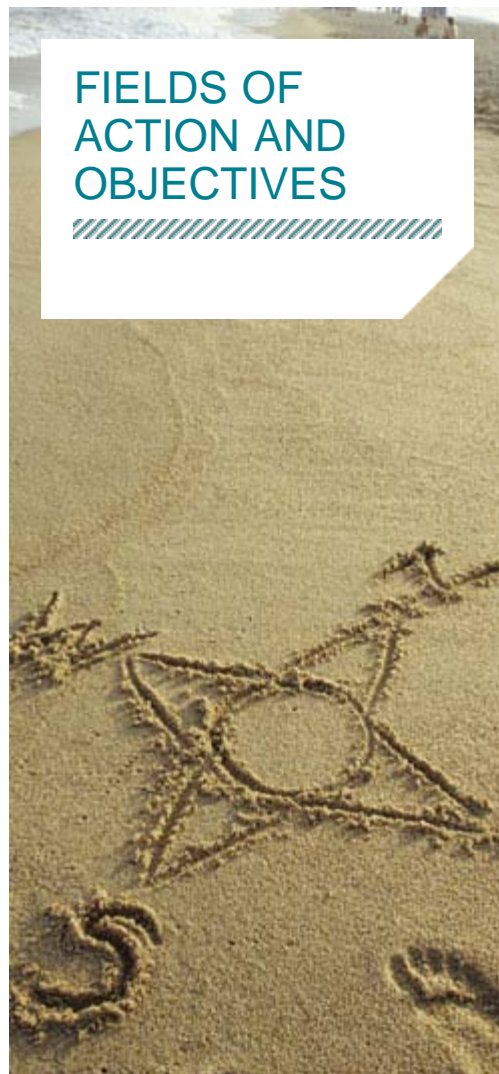
On this basis, our new mission should make a vital contribution to the profitable growth of Munich Re (Group). By consistently integrating corporate responsibility in the Group strategy, we are seeking to:

- 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. In April 2006, Munich Re also became the first German company to sign the United Nations Principles for Responsible Investment (PRI), which we played a key role in helping to establish. We are also 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.

» Home » Strategy and challenges



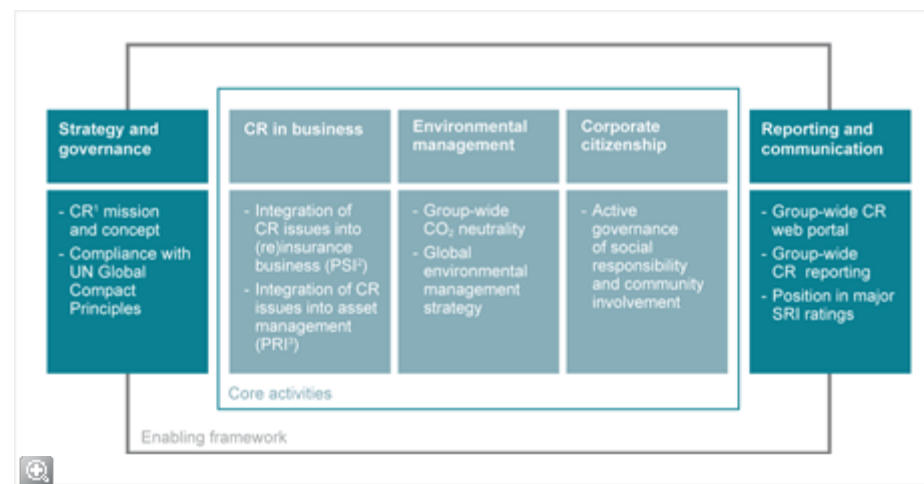
## Implementing our corporate responsibility

For Munich Re, responsible and sustainable development is an integral part of its Group strategy. On the basis of our new corporate responsibility mission, which is the result of refining our previous guiding principles, we have further cemented our fields of action and objectives and at the same time formed the fundamental basis for our Group-wide activities.

Munich Re's new corporate responsibility mission highlights 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

### Corporate responsibility – Fields of action



### Related Topics

- » Solutions
- » Management: Environment
- » Commitment

### Actions

- » EXPAND ALL
- » COLLAPSE ALL

### Strategy and governance – Meeting our commitments

The ten principles of the Global Compact constitute an important framework for placing corporate responsibility at the heart of our business activities. By considering these principles in the areas of human rights, labour standards, environmental protection and anti-corruption, we demonstrate our commitment to such 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 are also developing an efficient Group-wide network and governance for ESG topics.

### Reporting and communication – Making progress

Through internal and external communication of our corporate responsibility activities, we inform our stakeholders of our strategic approach, the measures we have decided on, and the progress we have made. A central element of this communication is the reporting we do in our corporate responsibility portal. The exchange of information and offering of transparent data ensure that we can provide optimal information to our stakeholders and expand the dialogue with investors and rating agencies. Our aim is to continue being listed with a good rating in the most acknowledged international indices, such as the FTSE4Good and the Dow Jones Sustainability Index.

### Solutions – Corporate responsibility in core business

By integrating corporate responsibility in its business, Munich Re is seeking a solution-oriented way to handle environmental, social and governance risks and to develop innovative solutions and products. We adhere to the new Principles for Sustainable Insurance (PSI), a global initiative of the United Nations Environment Programme for greater sustainability in the insurance industry, which we have co-developed since 2007. We also consider the Principles for Responsible Investment (PRI) for our investments, another agreement we 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. It is hoped that the reinsurance group will be carbon neutral by 2012 and the whole Group 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 offsetting unavoidable emissions by purchasing emission allowances. We also contribute to environmental protection by developing innovative insurance solutions.

### Social commitment – The corporate citizenship concept

For Munich Re, corporate responsibility means assuming responsibility for the community in which we live and work. In addition to systematically promoting education and science, Munich Re supports selected cultural and social projects at its business locations. The framework for this is provided by a new corporate citizenship concept, which links our social commitment more closely to business-relevant issues.

### New objectives and the next steps

With this 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 these objectives in our fields of action underlines this point. We will let you know about the progress of these objectives in the next report.

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

- **Objective 2010:** Produce a draft of a more clearly defined strategic corporate responsibility approach in the Group.

Status: Clearer corporate responsibility concept and mission with three focal areas ratified by the Board of Management

- **Objective 2011:** Establish a Group-wide network and governance structure for corporate responsibility.

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

- **Objective 2010:** Develop innovative solutions in core business.

Status: Innovative solutions are being offered, such as guarantee covers for photovoltaic products.

- **Objective 2011:** Develop a Group-wide concept for integrating corporate responsibility in business in accordance with the Principles for Sustainable Insurance (PSI) and formulate a clear policy against insuring manufacturers of banned weapons.

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

- **Objective 2010:** Develop a carbon neutrality strategy.

Status: Group-wide carbon neutrality strategy adopted by the Board of Management; Munich Re Munich carbon neutral since 2009.

- **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.

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

- **Objective 2010:** Develop a new corporate citizenship concept.

Status: Adoption of the concept by the Board of Management and roll-out of the corporate citizenship strategy for managing social commitment Group-wide.

- **Objective 2011:** Establish an international corporate citizenship network and develop a Group-wide corporate volunteering concept.

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

- **Objective 2010:** Update the corporate responsibility portal by way of a short report in PDF format.

Status: Corporate responsibility portal fully updated, including a detailed GRI reporting document.

- **Objective 2011:** Update the corporate responsibility portal in combination with an executive summary and expansion of the coverage of corporate responsibility reporting, as well as good ratings in the most important indices.
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## 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 (CR) has long been an integrated part of our Group strategy.

The following examples show milestones of our corporate responsibility.

Actions

- » EXPAND ALL
- » COLLAPSE ALL

### ▼ 2011

#### Adoption of new CR strategy

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

As in 2009, greenhouse gas emissions at Munich Re's office sites in Munich were reduced as much as possible in 2010, the remaining emissions being offset by the purchase of emission allowances.

#### 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.

#### Recertification of Munich Re (Munich) and ERGO

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, presented the Group's knowledge on 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 is offering the world's 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 acquired 40 wind turbines in a total of 11 wind parks with an overall output of 73 megawatts. Munich Re aims to invest up to €2.5 bn in the context of RENT (Renewable Energy and New Technologies) initiative over the coming years.

#### 6th International Microinsurance Conference in Manila

Munich Re and other partners, including the Microinsurance Network, the German Gesellschaft für Internationale Zusammenarbeit (GIZ) and Germany's Federal Ministry for Economic Cooperation and Development (BMZ), invited participants from 50 countries to the 6th International Microinsurance Conference in Manila. Attracting 520 visitors, this is currently the largest conference in the microinsurance field and shows that the issue is of major relevance globally and has significant 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

For the first time, Munich Re is providing cover for performance guarantees on photovoltaic modules in the USA. 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 in the event of oil well failures. The difference is that they can now be insured individually, and at the same time it is envisaged that safety standards will be raised.

In late 2010, a consortium of primary insurers and reinsurers, managed by Aon Benfield, was formed. The SOSCover project continues to make progress and a specific coverage concept has already been developed.

#### Relaunch of corporate responsibility portal

Munich Re is working on a new concept for its CR web presence and the related internal and external reporting on this topic. This also involves extending the scope of CR reporting to up to 60% of employees.

#### Earthquake disaster in Haiti, floods in Pakistan

The companies that make up Munich Re (Group) and its employees are collectively donating more than a quarter of a million euros to victims of the 2010 earthquake in Haiti and of the flooding that hit Pakistan in the same year.

#### **ISO certification confirmed**

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**

At Munich Re's initiative, thirteen partners including Munich Re set up the Desertec Industrial Initiative planning entity (Dii). Its long-term goal: solar and wind power generated 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 are placed on the list of official partners of the EU GreenBuilding Programme: the Cologne Oval Offices, the Westgate in Cologne and Munich's Sonnencarree.

#### **MEAG sets up the 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

#### **Munich Re signs up to Climate Principles**

Munich Re is one of the first companies to sign up to the Climate Principles. The aim of this initiative is to emphasise the important role that financial service providers play in the transition to a low-carbon energy industry.

#### **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.

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### ▼ 2007

#### **Joining Global Compact**

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

#### **Establishment of the Corporate Climate Centre**

All Munich Re's activities relating to climate change 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.

#### **Sustainability portal**

An interdisciplinary internet portal is created to report on all the relevant topics of corporate responsibility Group-wide.

#### **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.

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#### ▼ **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.

##### **Establishment of a corporate responsibility management function**

As a sign of the great importance Munich Re assigns to this sector, the CR management function is located in 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.

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#### ▼ **2005 to 2001**

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 help**

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 meets further 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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#### ▼ **2000 to 1973**

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 Financial 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 objective is to achieve "environmentally compatible economic growth".

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

The ERGO company Victoria becomes the first insurance company in Europe 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 change the pattern of weather-related natural catastrophes.

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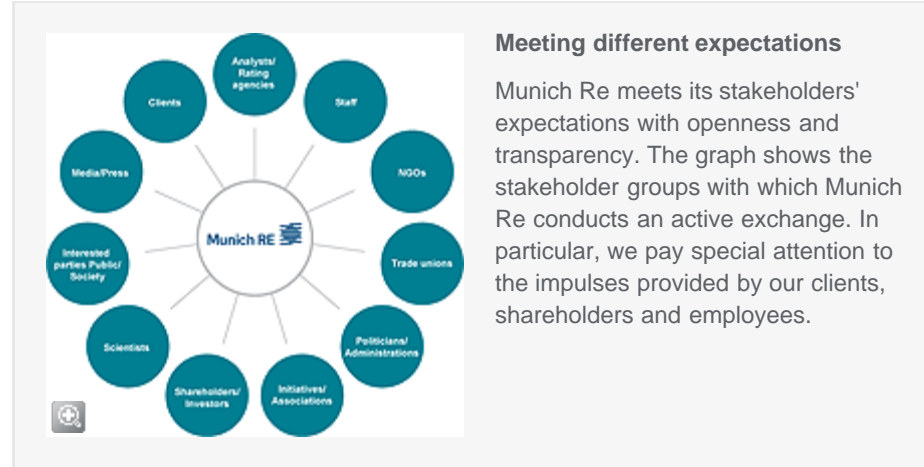




## In direct contact

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.



### Meeting different expectations

Munich Re meets its stakeholders' expectations with openness and transparency. The graph shows the stakeholder groups with which Munich Re conducts an active exchange. In particular, we pay special attention to the impulses provided by our clients, shareholders and employees.

### Actions

- » EXPAND ALL
- » COLLAPSE ALL

#### ▼ Dialogue with our staff – An open partnership

**With their dedication and wide 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 across all levels, 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, which enable us to keep everyone up to date on topics relevant to Munich Re. Examples of this include 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 knowledge transfer and a solution-oriented approach, frequently in cooperation and partnership with clients such as in the case of the DESERTEC desert-power projects or innovative forms of cover for oil production risks. This approach is underlined by the 40 client seminars in Munich and 50 client events in Munich Re's International Organisation that were held in 2010. Just like the scholarship programmes for prospective managers at our primary insurance client companies, these events help to ensure a constant dialogue. Clients also benefit from a special information platform ( » [connect.munichre.com](http://connect.munichre.com)) where forms, client-focused services and up-to-date information on business development 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 transparent communication, both online and offline, a high-quality complaint management system, and fast and efficient support in the event of claims. Since March 2010, ERGO has also maintained its own open innovation platform for direct online feedback from clients.
- Munich Health delivers integrated, sustainable solutions for the healthcare market, with over six million clients in primary insurance and 400 in reinsurance. Munich Re has pooled its global healthcare expertise from insurance and reinsurance in this field of business. An 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.
- MEAG's clients and investors can also rely on close and reliable cooperation. The Group's asset manager and its experienced investment experts offer clients



high-quality service.

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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. In one-on-one meetings, roadshows or via the internet, we provide them with detailed information on the opportunities and risks of our business. Munich Re's management also provides regular detailed reports, and our website offers a host of information for investors. All the presentations we use at our events for analysts and investors are published on the internet. All major meetings, including the AGM, are streamed live online, as was the 124th AGM in April 2011 attended by some 4,000 investors. There is a team on hand to answer enquiries that come in on the shareholder hotline or by e-mail. Additionally, the service pages of our shareholder portal offer our registered shareholders a wide range of background information and services on Munich Re's shares.

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

**Munich Re (Group) seeks to bring its considerable know-how to bear on the debates 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 research and development projects. 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 Deutsche Gesellschaft für Internationale Zusammenarbeit (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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## 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 meets these challenges actively and flexibly with tailor-made solutions.

### Taking 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 knowledge and decades of experience help us to 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

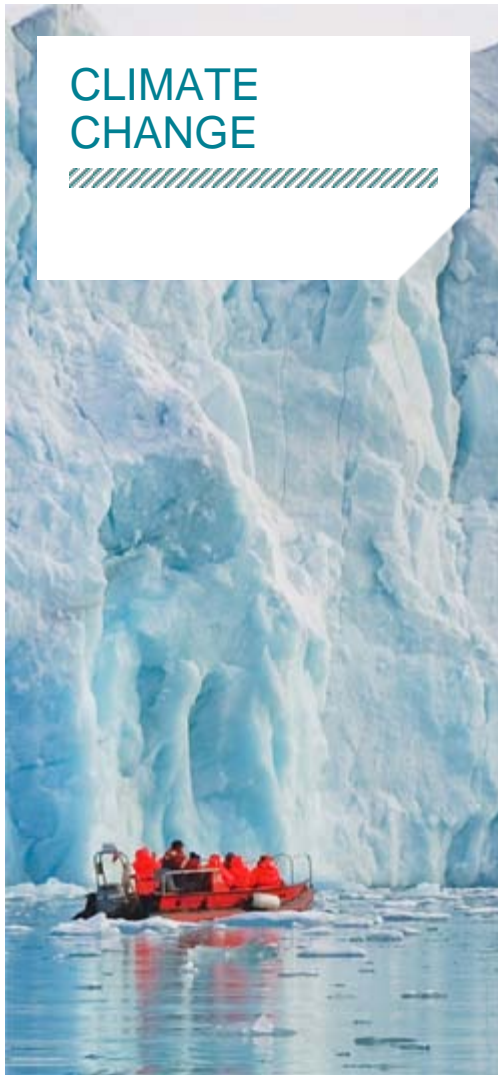
Over the years, we have systematically pursued a risk and investment strategy conducive to sustainable development. [» more](#)

### Demographic change

The insurance industry is called upon to devise new solutions to demographic developments. Munich Re develops customised models 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](#)



## 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.

Munich Re has been studying the risks and opportunities posed by climate change since founding its Geo Risks Research Department back in 1974. Our knowledge in this field continued to grow and was concentrated in one place in 2008 when the » Corporate Climate Centre (CCC) was founded. In this network, staff members from all parts of the Group investigate the consequences of climate change and devise pioneering concepts and solutions for climate protection.

### Adapting to the effects of climate change

Such concentrated competence is a huge help in opening up new fields of business and developing innovative cover concepts for adapting to the effects of climate change. In Munich Re's core business, these 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. This made-to-measure product draws on extensive data resources to offer, among other options, precise identification of relatively highly exposed sites throughout the world, also taking into account the changes resulting from climate change.

### New measures and regenerative solutions

To smooth our transition to a low-CO<sub>2</sub> society, Munich Re is developing insurance products aimed specifically at promoting climate protection. For example, we accept special risks entailed in the use 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. The basic idea of this international interest group, which meanwhile includes more than 50 partners, is to build systems for converting solar energy captured in sunshine-rich desert regions and thus to secure over the long term a climate-friendly, sustainable power supply for Europe, the Middle East and North Africa. 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 will have enormous economic, social and security implications. Through a part of its core business, the insurance industry is directly affected by climate change and therefore assumes a leading role in analysing its effects and developing solutions for climate protection.”

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

### Networking within the scientific community

The experts at the CCC maintain a close dialogue with scientists, associations and research organisations all over the world, and take part in projects and studies. For example, we are working with the London School of Economics and Political Science (LSE) on ways of making the economic effects of climate change quantifiable and identifying opportunities and risks for the insurance industry.

### Striving to benefit humanity

At the same time, Munich Re also plays a role in various national and international climate-protection bodies. Experts from Munich Re tackle climate-protection issues in the United Nations Environment Programme (UNEP). In both the Umweltpakt Bayern (Bavarian Environmental Pact) and the Climate Group – a group of companies that have committed themselves to climate protection – 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, climatic and economic experts and NGOs, the MCII endeavours to find risk-transfer solutions for developing and emerging countries within the framework of the World Climate Conference (UNFCCC). The essential aim is to redress the imbalance between the main emitters of greenhouse gases and the developing countries, since many of the latter are particularly hard hit by the effects of climate change.

### Group-wide climate neutrality by 2015

Munich Re advocates effective and binding rules on CO<sub>2</sub> 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 CO<sub>2</sub> emissions performance.

#### Related Topics

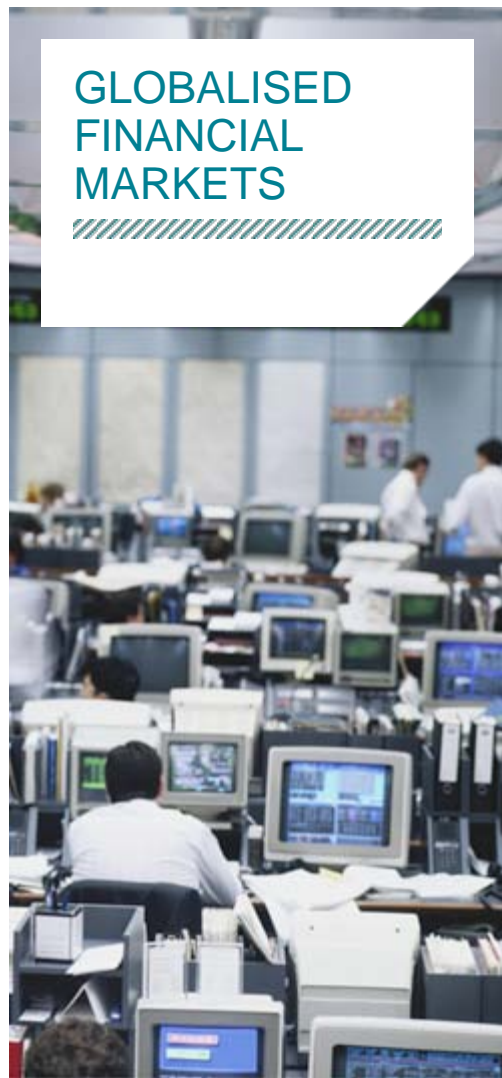
- » Sustainable investment
- » Environment
- » Solutions
- » Memberships and partnerships

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

- » Focus topic Climate change

#### External Links

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



## Mastering the risk by acting responsibly

**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 exploit new business opportunities even during the financial crisis. Munich Re's shares offer all investors a » risk-return profile that is attractive in the long term. We are a safe investment and, as such, were in a position to maintain our dividend policy throughout the financial crisis 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 energy. 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 and 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





## DEMOGRAPHIC CHANGE

### Challenges presented by demographic change

Current demographic trends are bound to have a perceptible impact on our society. Particularly in industrialised countries, people are tending to live longer on average, while birth rates are declining. These » demographic trends call for new thinking and new solutions from the insurance industry as well. Munich Re is applying its extensive knowledge to counter the changes in our society's age structure and its consequences regarding, for example, pensions and healthcare management, with models tailored to our different fields of business.

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 toward increasing life expectancy is also evident in many emerging countries – as is also the necessity of providing minimal healthcare to the population at large – for example in China. These changes are expected to progress significantly faster in these densely populated regions than in Europe.



#### Making pension models sustainable

This will result in 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 for the insurance industry

One of Munich Re's main core-business challenges is reinsuring the risks of its primary insurer clients. This is particularly true of the health insurance segment.

The incidence of diseases of affluence such as obesity, late-onset diabetes, cancer and cardiovascular diseases is increasing rapidly, and the costs of treating them are rising immeasurably. This trend is attributable to altered living and eating habits. The problem is global in that this trend recurs in many countries as they develop materially and grow in prosperity. Munich Re is combining its knowledge in the relevant fields to counter this trend. Munich Health offers preventive measures and a range of private covers and medical care options tailored to the growing demand for individual, integrated insurance services.

"Munich Health brings together a unique spectrum of service providers and risk carriers under one roof. These extend from pure reinsurers and traditional primary insurers to full-range providers of integrated insurance and healthcare services", says Dr. Wolfgang Strassl, the member of Munich Re's Board of Management responsible for the Munich Health field of business.

#### Visionary human resources policy

Current demographic trends pose a challenge even for a global company such as Munich Re. In the coming years, there will be fewer well-trained young college and university graduates. To counteract this problem, we are already offering specific, individualised further training and career planning within the Group to ensure that our staff can develop optimally. Here, special attention is being given to the issue of diversity, i.e. the conviction that one objective of successful human resources work is to have a workforce characterised by a wide variety of social backgrounds and broad experience. The Group-wide introduction of a diversity strategy in 2011 also underscores our intention to be prepared for these developments. In this context, public events such as the Munich Re Foundation's forums also make a contribution. For example, the series on "Demography and migration" dedicated its initial discussion in January 2011 to the impending dearth of specialist staff. "We are getting older and scarcer – and that is quite alright!" was the provocative title of the discussion evening, which highlighted prospects for the future resulting, for instance, from an improved range of offerings for integration and further training.

#### Related Topics

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





ACCESSING FINANCIAL SOLUTIONS

## Taking insurance a stage further

Partnerships provide new opportunities for developing and emerging countries

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

Developing and emerging countries are very frequently struck by natural catastrophes such as floods, earthquakes and cyclones, recent examples being the earthquake in Haiti and the flooding that hit Pakistan in 2010. 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. Public-sector institutions, cooperatives, NGOs and private-sector companies are all involved in multi-sectoral, 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.



“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. For instance, some 520 participants from 50 countries met from 9 to 11 November 2010 at Manila in the Philippines 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 discuss ways of overcoming obstacles currently encountered in this sector on the basis of experience and concepts.

#### Related Topics

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

#### Downloads

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

#### External Links

- » Munich Re Foundation

MUNICH RE >	STRATEGY AND CHALLENGES	<b>MANAGEMENT</b>	SOLUTIONS	COMMITMENT	FACTS AND FIGURES
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» Home

1857,95	4442,23	2,56	▲	0,18%
846,37	859,28	1,25	▲	0,09%
1284,64	258,63	4,85	▲	0,25%
2564,58	894,27	-0,20	▼	0,02%
1857,44	1683,85	8,56	▲	0,41%
658,12	895,63	2,57	▲	0,25%
1654,32	1749,23	9,25	▲	0,02%
1623	258,36	-0,23	▼	0,53%
	1857,95	-1,25	▼	0,85%
	1857,95	2,59	▲	0,02%
	1857,95	2,57	▲	1,03%

## 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



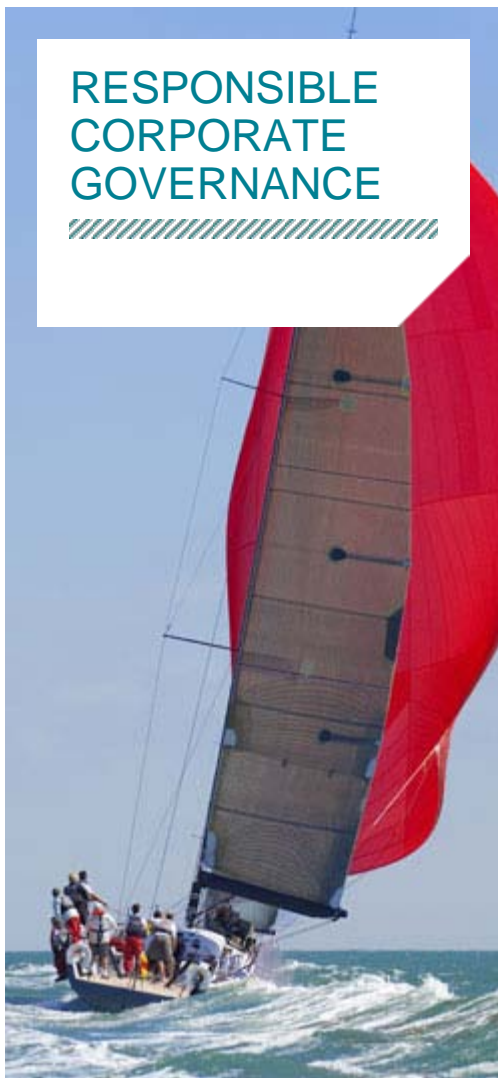
Our human resources policy is firmly based on a responsible corporate and leadership culture. We reward performance, encourage personal responsibility and facilitate personal development. » more

#### 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





## 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](#)

## RESPONSIBLE CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE

#### COMPLIANCE

#### ANTI-FRAUD MANAGEMENT

#### RISK MANAGEMENT

#### SUSTAINABILITY AND MUNICH RE SHARES

#### GUIDELINES FOR DEALING WITH JOURNALISTS

## 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, where Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München is registered, 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. They cooperate closely to the benefit of Munich Re, as provided for in the dual management system prescribed by law for German joint-stock companies.

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

In compliance with the applicable co-determination regulations, 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, as well as the company's interest in maintaining an adequate degree of diversity on the Board. The Supervisory Board regularly monitors the effectiveness of its work. In the 2010 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. The committees investigate issues in their respective areas and prepare resolutions for the Board as a whole, thus increasing the effectiveness of the Board's work.

## RESPONSIBLE CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

**COMPLIANCE**

ANTI-FRAUD MANAGEMENT

RISK MANAGEMENT

SUSTAINABILITY AND MUNICH RE SHARES

GUIDELINES FOR DEALING WITH JOURNALISTS

## Compliance with laws, regulations and codes

Munich Re has clear goals and values, including compliance with laws and consequently adopts a zero tolerance stance on 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. After all, legally correct dealings and active value management are key to our corporate image and integrity. We attach great importance to fulfilling high ethical, ecological and social standards.

### Code of Conduct with binding rules

The central guideline for our activities is our » [Code of conduct](#), which describes our values and – adapted to the field of business involved – has been implemented by our subsidiaries. The code describes in detail what we consider to be ethically principled, legally impeccable conduct. The code specifies rules that are binding for all Munich Re staff, describing not only how to deal with conflicts of interest, but also insider trading rules, laws regulating financial dealings, non-discrimination laws, environmental and data protection and other subject areas. Our Code of Conduct is reviewed and updated on a regular basis.

### Systematically expanding compliance management

To optimise the outcome of this value management, we are constantly refining our compliance measures. These include regular face-to-face training, in particular in the area of antitrust law. Other compliance issues are conveyed by means of e-learning programs, for instance on data protection, information security and insider trading law. Since 2010, moreover, all staff at Munich Re (reinsurance) have had access to the new tutorial on our Code of Conduct. This tutorial is intended to help staff learn to identify matters involving compliance issues and to handle them correctly, for instance how to deal with confidential information or gifts. ERGO, too, is continually expanding its selection of tutorials on subjects such as compliance, money-laundering laws and anti-fraud management.

The monitoring of compliance in all Group companies is based not only on the Code of Conduct mentioned above, but also on our Compliance Manuals, which define the basic areas of responsibility and serve as the cornerstone of our global compliance management. The contact for questions regarding compliance is the Compliance Officer, who supports the Board of Management in developing and implementing organisational measures.

### 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.

Employees thus have the opportunity to report incidents directly to their supervisors, the Compliance Officer or Group Audit. To strengthen the compliance system further, Munich Re has appointed an independent, external » [ombudsman](#), to whom staff can report irregularities confidentially or, if they prefer, even anonymously. The ombudsman also serves as an additional early-warning system to detect and prevent financial crime.

### Global Compact as the central guideline

In August 2007, Munich Re signed the United Nations » [Global Compact](#), ten principles that include environmental protection, the protection of human rights and anti-corruption rules. These principles represent a worldwide standard and help us to continue to improve corporate responsibility in our measures and processes and in core business at the international level. 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 all 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.

### Related Topics

» [Challenges: Climate change](#)

### Downloads

» [munichre.com: Risk report \(PDF, 212 KB\)](#)



**RESPONSIBLE CORPORATE GOVERNANCE**

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CORPORATE GOVERNANCE

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COMPLIANCE

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**ANTI-FRAUD MANAGEMENT**

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RISK MANAGEMENT

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SUSTAINABILITY AND MUNICH RE SHARES

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GUIDELINES FOR DEALING WITH JOURNALISTS

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

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

» [Corporate Governance](#)

**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 standards, 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. Such reports include all internal fraud-related facts, losses inflicted by third parties and any ongoing transactions that entail reputational risks for Munich Re. 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.

## RESPONSIBLE CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

COMPLIANCE

ANTI-FRAUD MANAGEMENT

RISK MANAGEMENT

SUSTAINABILITY AND MUNICH RE SHARES

GUIDELINES FOR DEALING WITH JOURNALISTS

## 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.**

Assuming risks is our business, and our risk strategy defines the scope of the risks we assume for our clients and shareholders. Implementing risk management operationally involves identifying, measuring, analysing and assessing risks and on that basis then reporting, monitoring and limiting them. Here we distinguish on the one hand between market, credit, liquidity and reputational risks and on the other between operational and strategic risks.

### Efficacy through transparent management

To ensure effective risk management, Munich Re has established special risk management functions and bodies. The Integrated Risk Management (IRM) Division is responsible for risk management throughout the Group. IRM 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.

This guarantees that our risk management covers all units and all exposures in the Group, while bringing about transparency and making it possible to actively manage the risks assumed.

The Chief Risk Officer is a permanent member of Munich Re's Group Committee, the Board of Management forum for strategic matters. Risk issues throughout the Group are dealt with by the Group Risk Committee.

### Determining the risk strategy

The development of the risk strategy is embedded in the annual planning cycle, and hence in our business strategy. It is approved by the Board of Management and discussed regularly with the Supervisory Board. Our risk strategy takes into account the interests of our clients and shareholders. We strive to maintain our financial strength in order to meet our obligations to clients as well as to protect and augment our shareholders' equity in the long term. A great deal of our attention is also focused on protecting our reputation.

Our risk strategy is determined by our risk appetite, which is defined for a number of risk limits/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 operational divisions.

### Multidisciplinary approach toward emerging risks

We pay particular attention to so-called emerging risks, i.e. risks that arise as a result of changes in, for example, economic, legal, socio-political, scientific or technological parameters. The probability of these risks actually occurring is by nature difficult to estimate. We take a multidisciplinary approach, utilising the expertise and experience of our specialists, who include geoscientists, engineers, biologists, underwriting experts, lawyers, economists, sociologists and actuaries. They routinely prepare detailed analyses and assessments of topics such as nanotechnology, pandemics and IT risks for our core business.



“Risk management involves not only quantitative approaches but also a lot of 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

### Reputational Risk Committee – Forum for sensitive business issues

We know that a company's success depends to a significant extent on its reputation, and this is especially true of the insurance sector. Munich Re's Reputational Risk Committee deals with reputational risk issues that arise in the course of our day-to-day business operations. This body is composed of representatives from various divisional units and central divisions and is chaired by the Compliance Officer. All those involved carefully scrutinise the ethical tenability of business transactions on a regular basis and (in special cases) upon request; by 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 make a clear recommend suitable action within 48 hours.

### Related Topics

» Challenges: Climate change

### Download

» munichre.com: Risk report (PDF, 212 KB)

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## RESPONSIBLE CORPORATE GOVERNANCE

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GUIDELINES FOR DEALING WITH JOURNALISTS

## 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, also proved its worth in recent economic and financial crises. And we are continuing to pursue this strategy. The core of our corporate activities is value- and risk-based management, integrated and active risk management and our comprehensive risk knowledge. This business policy, which is accompanied by continuous, open and transparent communication with all capital market participants, ensures that our shares remain a stable and reliable investment. Again in 2010, 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 growing more and more.

### 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. oekom research AG, one of the world's leading » rating agencies for sustainable investments, recently confirmed Munich Re's prime status. Based on an evaluation of Munich Re's social and ecological activities, oekom research assigns us a leading position in the field of corporate responsibility.



“Having been awarded oekom's “prime status” in corporate rating, Munich Re is one of the leading insurance companies in terms of corporate social responsibility (CSR). At the same time we see that there is still room for improvement. With its commitment to the Principles for Sustainable Insurance, Munich Re is paving the way for the future.”

Rolf Häßler, Director, Head of Corporate Communications, oekom Research AG

### Further advantages for investors

Given their favourable performance outlook, Munich Re shares remain a promising stock for many investors. Particularly convincing are their high » total shareholder return and continuingly low » volatility. We have been able to pay high dividends and to buy back shares. Our shareholders also value our responsible corporate governance structures and our firmly established and 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.



### Related Topics

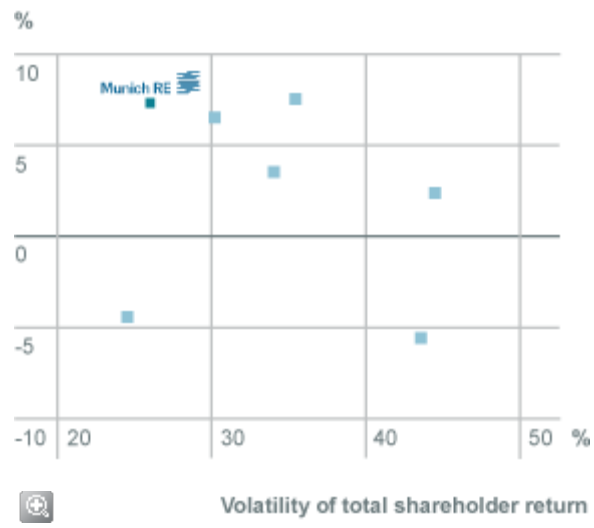
- » Principles for Responsible Investment
- » SRI Indices
- » Challenges: Globalised financial markets

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

- » Investor Relations

Attractive return for Munich Re shareholders,  
with moderate risk profile

Total shareholder return



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 2010), based on Datastream total return indices in local currency and a volatility calculation with 250 trading days per year.



**RESPONSIBLE  
CORPORATE  
GOVERNANCE**



- CORPORATE GOVERNANCE
- COMPLIANCE
- ANTI-FRAUD MANAGEMENT
- RISK MANAGEMENT
- SUSTAINABILITY AND MUNICH RE SHARES
- GUIDELINES FOR DEALING WITH JOURNALISTS**

**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
- Reiner Gärtner, Wangen im Allgäu, Germany
- Leticia Gow, Munich, Germany
- Peter Kleffmann, Hamburg, Germany
- Adrian Ladbury, Bournemouth, United Kingdom
- Jane Lanhee Lau, Shanghai, China
- Dr. Tanja Neuvians, Heidelberg, Germany
- Andreas Schuck, Munich, Germany
- Sivam Subramaniam, Singapore

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

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» [Corporate Governance](#)



## 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 €210bn in its portfolio. Investments of this magnitude bring 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. Its 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 Investments

At Munich Re, responsible management has top priority, not least for the sake of profitability. This is why our asset management 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 energy. 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

#### External Links

- » MEAG

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## SUSTAINABLE INVESTMENTS



### MANAGING INVESTMENTS

INTERVIEW WITH DR. THOMAS KABISCH (MEAG)

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 long-term 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 of industry. Some 70 experienced portfolio managers are in charge of implementing investment decisions and selecting attractive securities. All involved strictly adhere to » **asset-liability management** criteria 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. Furthermore, as from 2011 the asset portfolio was extended to include investments in RENT (Renewable Energies and New Technologies) and the asset class "real estate" (construction year with effect from 1.1.2010).

### 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 yet another award from XTP Transaction Partners for "Best Execution" in the equity section of its funds. MEAG is attested as offering very good, and thus well above-average, performance quality in terms of transaction cost analysis.

### External Links

» [MEAG](#)

## SUSTAINABLE ASSET MANAGEMENT

### MANAGING INVESTMENTS

#### 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 even in future 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: Capital management

#### External Links

» MEAG



**prove worthwhile?**

In this 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)

RENT

## Principles for Responsible Investments – Investing responsibly

At Munich Re, responsible management has top priority, not least for the sake of profitability. 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) 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 am firmly convinced that environmental, social and corporate governance [ESG] topics will become mainstream for the investment community. And PRI, with support from UNEP Finance Initiative and UN Global Compact, will be a catalyst and thought leader for this development.”

Dr. Wolfgang Engshuber, outgoing Chief Administrative Officer of Munich Re of America, since 1 January 2011, Chairman of the investor-led initiative PRI

### 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>	<ul style="list-style-type: none"> <li>– 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.</li> <li>– If two » risk-return profiles are identical, we select the more sustainable issuer.</li> </ul>
2	“We will be active owners and incorporate ESG issues into our ownership policies and practices.” <b>Active investor</b>	<ul style="list-style-type: none"> <li>– We communicate our investment criteria and address these in dialogue with the companies we work with.</li> <li>– 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 for SRI.</li> </ul>
3	“We will seek appropriate disclosure on ESG issues by the entities in which we invest.” <b>Sustainability disclosure</b>	<ul style="list-style-type: none"> <li>– For the funds MEAG Nachhaltigkeit, MEAG KlimaStrategie and MEAG FairReturn, we request information relevant to our sustainable investment criteria from the issuers.</li> <li>– We have taken sustainability criteria into account when purchasing real estate since 2007.</li> </ul>
4	“We will promote acceptance and implementation of the Principles within the investment industry.” <b>Patron of PRI</b>	<ul style="list-style-type: none"> <li>– We announce and stress our principles via publications in the financial press and by participating in presentations and congresses on sustainability. In January 2011, for instance, MEAG organised a workshop for institutional investors.</li> <li>– With individual funds and activities, we show how responsible management can be put into practice:                             <ul style="list-style-type: none"> <li>– RENT (Renewable Energies and New</li> </ul> </li> </ul>

### Related Topics

- » Strategy and challenges: Guiding concept and mission
- » Asset management: Strategies for investing responsibly
- » Challenges: Climate change
- » Environmental commitment

### External Links

- » UN: Principles for Responsible Investment

- Technologies)  
– MEAG Nachhaltigkeit  
– MEAG KlimaStrategie  
– MEAG FairReturn

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|-------|--|---|
| 5     | “We will work together to enhance our effectiveness in implementing the Principles.”<br><b>Cooperation to realise the PRI</b>                            | – Through its PRI membership, Munich Re contributes to the further development and propagation of the principles.<br>– We are driving the exchange of experience forward with other PRI members in Germany and around the world.  |
| <hr/> |  |   |
| 6     | “We will each report on our activities and progress towards implementing the Principles.”<br><b>Reporting on activities and progress relevant to PRI</b> | – We participate in UNEP’s annual PRI Reporting and Assessment Survey.<br>– When reporting on PRI and our activities in this context, we make use of various communications channels (e.g. financial reports, SRI analyst meetings).<br>– Munich Re participates in SRI ratings and takes account of the estimates in its corporate planning. |
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## SUSTAINABLE INVESTMENTS

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## RENT – Investing in the energy of the future

The future belongs to renewable energy. 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 and have been sounding out the potential for strategic investment in renewable energy and new technologies, the main focus being on non-fossil power generation. We are particularly interested in the efficiency and energy-saving aspects. Our commitment to sustainability also brings with it risk-return advantages, since this form of investment is assessed as profitable while entailing moderate risk.

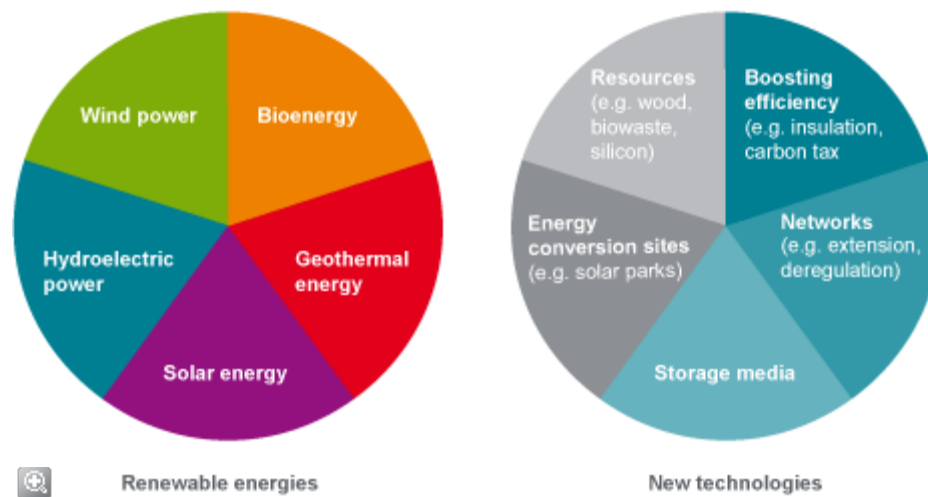
### Applying all-round knowledge

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 energy and new technologies. We assess the risk of the corresponding investments and participations using our expertise in technological innovations and location analysis, areas where our reinsurance specialists have built up specific experience over the years. 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 wind energy

At the turn of the year 2010/11, Munich Re invested in German wind energy via its asset manager MEAG. We acquired 40 wind turbines in eleven wind parks in north-eastern Germany. The turbines have a combined output of 150 million kWh, equivalent to the annual consumption of 42,000 households. Producing electricity at such wind parks saves up to 97,000 tonnes of carbon dioxide compared with generation at conventional power plants. At an underwriting level, Munich Re has been involved in renewable energy for many years – for instance, in developing new insurance solutions. Our commitment has had a double leverage effect: by promoting new technologies through investments and innovative coverage concepts, we contribute to the advance of societal developments.

RENT investments, which are spread over a range of renewables sectors, promote technological growth



RENT investments, which are spread over a range of renewables 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 and that these decisions are likely to lead to third-party investments in the respective segments. Particularly 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 promote the spread of sustainable technologies, simultaneously generating a synergy between business and our commitment to sustainability.

### Related Topics

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





## Consistent human resources planning

Our human resources planning 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 the good reputation we enjoy as an employer.

Munich Re develops staff in a responsible manner and our staff development 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. More and more emphasis is placed on the diverse skills, strengths and experience of our employees, whose individual potential we aim to put to even better use in the future with our diversity management.

### 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 systematic HR work. » more

### 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. » 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

It is possible to balance career and family life – given the right conditions. Munich Re has concluded agreements on flexible working conditions, with attractive working-hours models and appropriate support. » more

### Health at the workplace – 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 backgrounds, cultures and religions of our staff are but three factors key to Munich Re's success because people from different backgrounds contribute an equally varied range of individual skills and strengths. This heterogeneity and our policy of diversity help us achieve our corporate objectives. » more

#### Related Topics

- » Facts and figures: Employee indicators

## RESPONSIBILITY TOWARDS STAFF



### MUNICH RE AS AN EMPLOYER

TRAINING AND PERSONAL DEVELOPMENT

FAIR AND PERFORMANCE-RELATED REMUNERATION

WORK-LIFE BALANCE

HEALTH AT THE WORKPLACE

DIVERSITY

## 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 systematic HR work.

Globally, some 50,000 staff ensure Munich Re's success, thanks to their expertise, motivation and commitment. The Group 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, a number of our staff having been with us for many years – proving our attractiveness as an employer.

### 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 maintaining Munich Re on its successful course. Our International Human Resources Committee (IHRC) ensures the high quality of our HR services is maintained throughout our Group reinsurance segment globally, and this applies as much to experienced as to young staff.



“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 family-friendly working-hours models, rigorous promotion of health, diversity principle and performance-related, transparent remuneration system are just some of the reasons why we are appreciated globally as an employer and as a company. Munich Re is currently ranked among the top 100 companies in the Trendence Institute's graduate barometer. This is based on a survey conducted among 30,000 students in Germany to ascertain the popularity and attractiveness of German companies. Munich Re also features in CNNmoney's list of “most admired companies”. In the insurance segment, Munich Re is one of the ten companies listed with the best reputation globally.

### Good global working climate

Primary insurer ERGO's positive working climate is not solely confined to Germany. For example, ERGO Hestia was 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 HR 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 so that our internal and external job offers are available everywhere. These activities are supported by international university networking, representation at international careers fairs, social media activities and extensive public relations work.

▼ [Group staff by line of business](#)



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

» [Career](#)

External Links

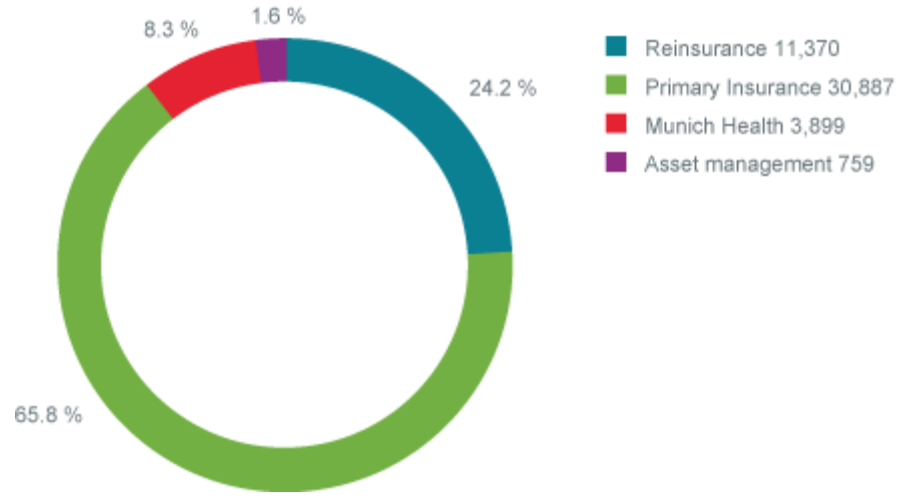
» [ERGO: Career](#)

Actions

» [EXPAND ALL](#)

» [COLLAPSE ALL](#)

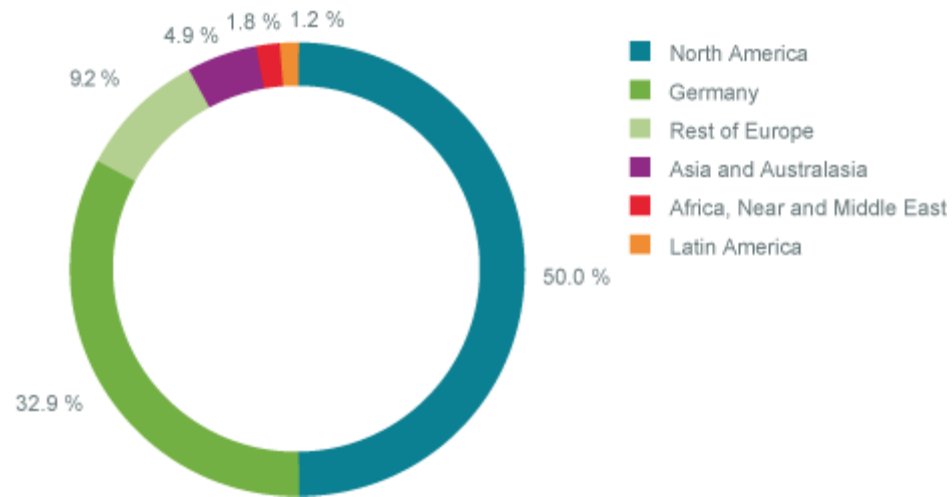
**No. of staff (group) by line of business**  
As at 31 December 2010



In 2010, Munich Re (Group) employed a total of 46,915 staff. Staff reductions introduced at ERGO in 2009 as part of the “Continuous improvement in our competitive position” project were completed on schedule in 2010 and involved no compulsory redundancies.

▼ **Staff by region (reinsurance)**

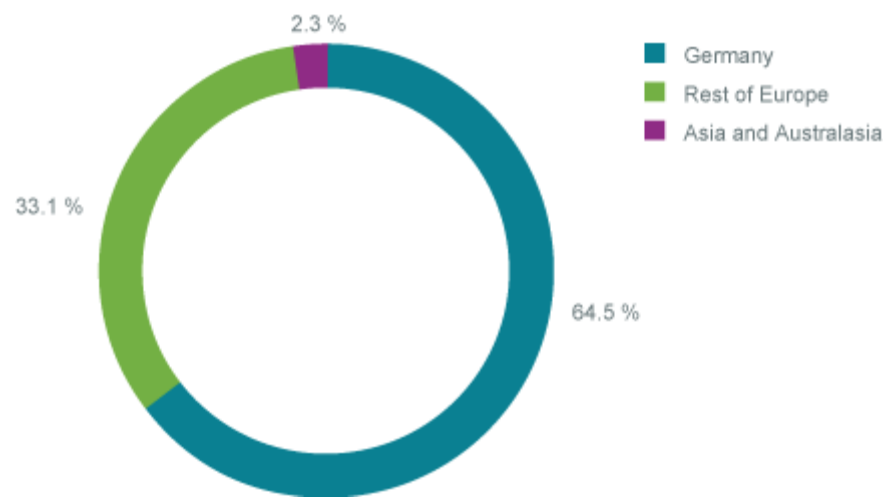
**No. of staff by region (Reinsurance)**  
As at 31 December 2010



Some 50% of reinsurance staff are employed in North America. North America and Europe together account for 92% of our reinsurance staff.

▼ **Staff by region (primary insurance)**

**No. of staff by region (Primary Insurance)**  
As at 31 December 2010

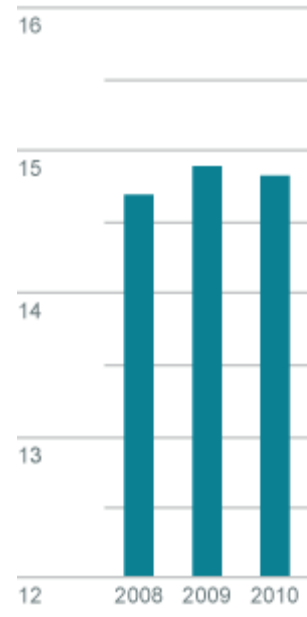


Most of ERGO's staff work in Europe, with staff growth rates increasing outside Germany. In addition, 24 ERGO staff are employed in North America (not taken into account in the chart).

▼ **Length of service at office sites in Germany**

**Length of service**  
(relates to German offices only)  
Weighted average length of service  
(years)

Ø years



At the end of the 2010 financial year, the average length of service of Munich Re employees based at office sites in Germany was 14.8 years. This figure testifies to their loyalty to the Group and the positive working climate.



## RESPONSIBILITY TOWARDS STAFF

- MUNICH RE AS AN EMPLOYER
- TRAINING AND PERSONAL DEVELOPMENT**
- FAIR AND PERFORMANCE-RELATED REMUNERATION
- WORK-LIFE BALANCE
- HEALTH AT THE WORKPLACE
- DIVERSITY

## 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 now offers more dynamic development opportunities than ever before. Our Human Resources division in Munich took the internationalisation of its talent-management programme a stage further in the year under review and enhanced the development opportunities. This enables us to continue recruiting a high percentage of our managers from the pool of outstanding talent available within our own ranks. In the last three years, over 90% of the management positions at Munich Re asset manager MEAG have gone to internal candidates.

### 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. They include seminars, workshops, coaching sessions and international assignments. For instance, Munich Re America's extensive training programme features a "Lunch learn" series, where employees have an opportunity to find out about health and prevention issues. We also offer training programmes on modern e-learning platforms that are accessible to our staff worldwide.

Employee expectations have changed, and Munich Re has responded by introducing new career opportunities and systematic personal development. On the reinsurance side, "Emerge international", part of the "FUEL – Future Excellence in Leadership" programme, has got off to a successful start. 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 groomed for their move up to the next level. MEAG's "Young Manager" programme helps young managers in their first year in that role with their new duties, self-reflection and corporate networking.

### Combining work and studies

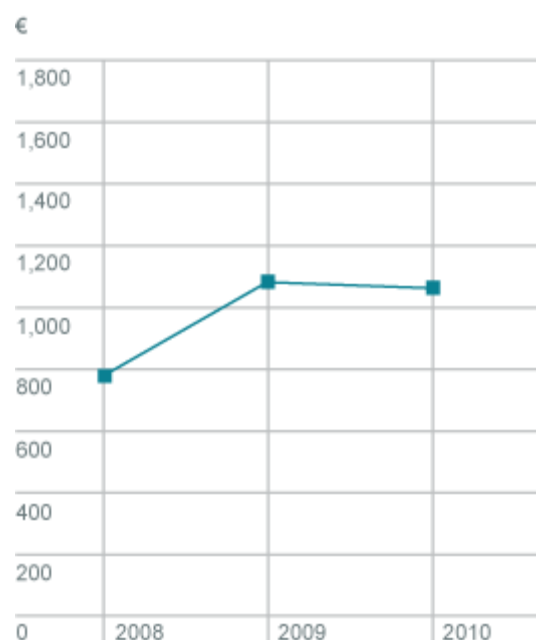
Munich Re offers its staff practical ways of combining studies and career. As well as the in-service "Executive Master of Science in Insurance" course run in conjunction with the Munich School of Management, the Munich model – part-time studies in insurance – is now in its seventh year. MEAG and ERGO 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 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.

### Training expenditure at Munich Re

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.

The training costs are not fully comparable to those of the previous years due to changed expanded data collection practices at ERGO.



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

» Career

External Links

» ERGO: Career

Actions

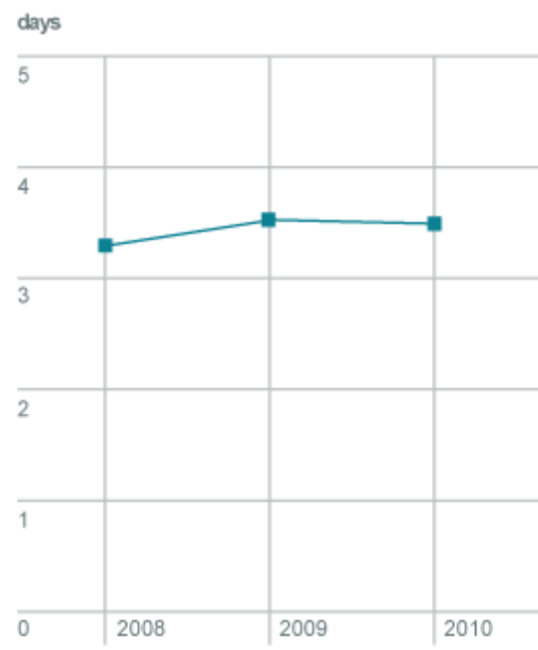
» EXPAND ALL

» COLLAPSE ALL

Investments in training declined slightly in 2010 because ERGO conducted more cost-effective training, i.e. events designed for large numbers of participants and measures that involved no external support.

▼ Training at Munich Re

**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.

MUNICH RE >	STRATEGY AND CHALLENGES	<b>MANAGEMENT</b>	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**
- WORK-LIFE BALANCE
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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 ensures everyone is treated 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 flexible because they, among other aspects of our HR policy, are designed to motivate our staff and foster their loyalty. Consequently, our revised reinsurance HR programme includes flexible remuneration structures that give greater weight than before to the individual employee's personal performance and our financial success.

#### Sharing corporate 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 based on 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. The CoRe Bonus rewards special effort at all levels, and places greater responsibility on the individual manager.

#### Setting an example

A modern, successful company must take the needs and values of its staff into account and align them with its corporate objectives. Additional benefits are a long-standing tradition at Munich Re (reinsurance), ERGO and MEAG, great importance being attached 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. In addition, Munich Re has joined the Fair Company initiative, which is committed to providing fair internships and offering real opportunities for graduates.



#### External Links

- » Fair Company (German version)

## RESPONSIBILITY TOWARDS STAFF



- MUNICH RE AS AN EMPLOYER
- TRAINING AND PERSONAL DEVELOPMENT
- FAIR AND PERFORMANCE-RELATED REMUNERATION
- WORK-LIFE BALANCE**
- HEALTH AT THE WORKPLACE
- DIVERSITY

### Combining career and family

**It is possible to balance career and family life – given the right conditions. Munich Re has concluded agreements on flexible working conditions, with attractive working-hours models and appropriate 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. At Munich Re, a variety of flexible working-hours models accommodate staff and their different needs. These include part-time and flexitime agreements and assistance with childcare. The broad offering is rounded off by arrangements that help employees when they resume work.

**Uniform rules thanks to the Family and Career internal company agreement**  
 Since 2002, the measures set out in Munich Re's Family and Career agreement have made it easier for reinsurance staff to reconcile their personal and career aspirations. In this agreement, we undertake to assist in particular those parents who are the primary childraisers, for instance by giving them priority when part-time positions are available. The internal company agreement also includes benefits in respect of essential special expenses and a childcare allowance paid to parents returning to work following parental leave. They also have the assurance that their original jobs will be kept open for them.

**Better support for parents needing childcare facilities**  
 Munich Re works with a number of service providers that help staff find the best childcare. A key feature of the latest agreement is the provision of an additional 30 external childcare places. Alternatively, up to €400 per month will be paid towards childcare costs. Some childcare centres reserve a certain number of places for the children of staff members, a measure that helps women in particular return to qualified positions. Competent contact persons are available at Munich Re's main office sites in Germany to give staff information on the different ways of achieving an optimum balance between career and family. Reinsurance employees in Munich can obtain additional support from the Staff Council committee on equal opportunities, family and career.



- 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, likewise on both sides.”

Katja Bucher, Group HR

**ERGO makes a strong case for families**  
 In June 2010, the “audit berufundfamilie®” (family and career audit) certificate was won by ERGO's administrative centres in Berlin, Hamburg, Cologne, Mannheim, and Munich. This certificate is awarded by the non-profit Hertie Foundation, which is committed to promoting the balance between career and family. Together with the head office in Düsseldorf, first awarded the certificate in 2002, all the main German ERGO administrative centres have now earned this accolade. ERGO uses the audit berufundfamilie® as a valuable strategic management tool to promote a family-friendly HR policy.

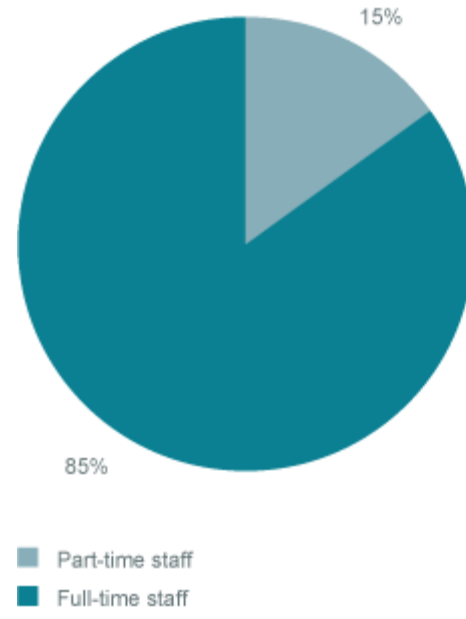
The many measures agreed for reconciling work and family have long been available not only to staff with children but also to staff who need to care for other family members. ERGO also offers a service unique in Germany: qualifying staff can take up to twelve months' parental leave on half pay, (payable 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. More and more male employees are taking advantage of this. “It means they can work a four-day week or a 30-hour week without losing their full-time status,” says Katrin Peplinski, ERGO's Equal Opportunities Officer.

**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.

▼ [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 2010



Data relate to Germany and Munich Re's main offices in North America – these figures cover 57% 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 2010, 15% of Munich Re employees worked part-time.

## RESPONSIBILITY TOWARDS STAFF



MUNICH RE AS AN EMPLOYER

TRAINING AND PERSONAL DEVELOPMENT

FAIR AND PERFORMANCE-RELATED REMUNERATION

WORK-LIFE BALANCE

**HEALTH AT THE WORKPLACE**

DIVERSITY

## Health at the workplace – 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.

A varied health-promotion and preventive programme is part and parcel of our corporate strategy. The scope of the programmes we offer is considerably greater than that required by law and includes an advice service, medical care, sports programmes and support measures to help staff reintegrate after long-term illness. Tailored to individual needs, these services ease the return to work after a lengthy absence. Munich Re takes great care not to jeopardise the employee's complete recovery, especially after prolonged illness.

### 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 when sitting at a desk, tips on effective relaxation techniques and advice on further preventive measures. A number of Munich Re office sites have their own company medical officers who advise staff on recommended vaccinations, dealing with current health risks and company health-promotion programmes.

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, sports and other facilities such as the recently opened back-care centre in Düsseldorf offer a wide range of options for keeping fit or simply relaxing. ERGO offers one of the most extensive company sports programmes in Germany under the name ERGO Sports. All the activities on offer, together with dates and contact details for the various sites, are available on a special portal. Activities range from familiar ball and running sports – football, volleyball, basketball, marathon, etc. – to more unusual pursuits such as dragon-boat rowing, beach volleyball and table football. In many of these disciplines, ERGO Sports regularly organises international tournaments and staff competitions.



A competitor in action at Munich Re's annual staff ski race, one of the many sports activities offered by Munich Re.

### 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.”

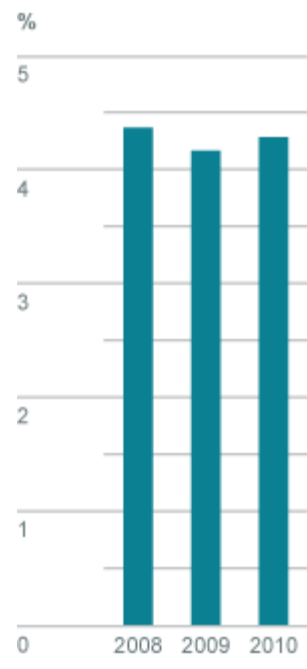
Christiane Wöllner, ERGO

### 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. In addition, all employees are entitled to support from psychologists and psychotherapists under our Employee Care and Work-Life Services programme. Work-Life Services at our Munich head office, for instance, arranges mediation in the event of workplace conflicts. In this context, we also offer a two-day stress-management seminar. Participants learn the main scientific principles behind stress and psychological strain and are taught how they as individuals can identify the early-warning signals. In this way, they can take corrective action and devise personal techniques and strategies for ongoing stress management. A number of measures are in the pipeline catering specifically for older staff members. For instance, they will be able to take part in Munich Re's PFIFF programme, which helps older employees maintain their intellectual capacity. This is sponsored by the German Federal Ministry for Labour and Social Affairs, and aimed at developing a work structure suited to older employees. The programme comprises cognitive training and techniques for strengthening individual resources, e.g. learning how to cope with stress.

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

### Sick Leave Munich Re (Group)



Data relate to Germany and Munich Re's main offices in North America – on average these figures cover 57% of Munich Re's total workforce.

Sick-leave levels at Munich Re were consistently low throughout the years from 2008 to 2010, with the level of absenteeism in 2010 totalling 4.3%.

## 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

**DIVERSITY**

## Diversity – is our strength

The different backgrounds, cultures and religions of our staff are but three factors key to Munich Re's success because people from different backgrounds contribute an equally varied range of individual skills and strengths. This heterogeneity and our policy of diversity help us achieve our corporate objectives.

Munich Re's HR planning has long been marked by the diversity of the Group's workforce. We foster this social diversity by pursuing an HR strategy that takes due account of the principle of equal treatment. Each individual's personal strength and experience have their part to play in Munich Re's performance. A key aspect of this process is the combining of these characteristics.

### Applying diversity, exploiting our strengths

The diversity of our staff is part and parcel of Munich Re's corporate culture. Consequently, we will not tolerate discrimination – whether based on age, gender, origin, or similar categories. In fact, equal treatment is enshrined in Munich Re's codes of conduct. ERGO has appointed a central Equal Opportunities Officer to oversee application of the rules at its office sites in Germany.

ERGO signed the Diversity Charter in 2009, emphasising its commitment to employee diversity. Signatories agree to create a work environment free from prejudice and exclusion. The aim is to ensure that the diverse skills of all staff members are duly respected in the personal working environment.

### Gender, age, internationality

In April 2011, following a summit meeting with the four German federal ministers responsible for family issues, employment, the economy and justice, the HR board members of the DAX 30 companies issued a joint statement relating to women in management. The targets have been submitted on 17th October 2011: Munich Re will increase the number of women in management positions for Germany group wide at least to 25% by the end of 2020. Currently the quota stands at 20%.

But to us, as a global player, diversity is about much more than equality. It also involves issues such as demographic and global change. All three factors – gender, age and internationality – are currently the subject of a comprehensive project managed by Munich Re's international Diversity Council, dedicated to developing Group-wide conditions for corresponding Group-wide management. The first target of the relevant project team, made up of representatives from all the divisional units and MEAG, is to draw up a strategic framework with recommended actions. These will focus on new ideas and initiatives and corresponding changes within the Group.

This also applies to the diversity concept that ERGO is developing on the same issues. The focus was on women and equality in the first half of 2011, whereas the emphasis will be on age and internationality in the second half of the year. This landmark project is being run in close consultation with Munich Re. It will also examine ways of dealing with the consequences of demographic change and the diversity of perspectives in decision making. Here, too, 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 social-diversity strengths.



“Essentially, our diversity concept is all about accepting the diversity and heterogeneity of our staff as well as respecting them and deploying them where Munich Re can benefit from them on a sustainable basis, both from an economic and social point of view.”

Susan Zdroik, Munich Re America, Manager of the Diversity Project

### Equal treatment of persons with disabilities

Equal treatment of persons with disabilities is of special concern to us. Munich Re (reinsurance) in Munich has worked with integration establishments like the Penny Parade Foundation for a number of years. In July 2008, ERGO gave a commitment to take more account of persons with disabilities in its recruitment. ERGO also invests in various training and health programmes for people with disabilities. ERGO in Spain and ERGO Hestia in Poland only employ people with physical disabilities in their call centres. To send an important signal in this special area, ERGO'S Polish subsidiary has also set up a foundation promoting such integrative measures in modern working life.



Download

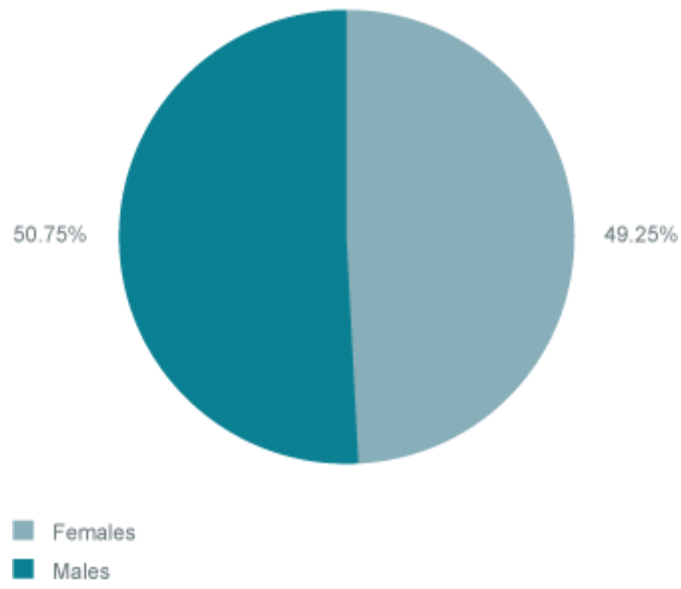
» Diversity Policy: Global steering – Local solutions (PDF)

Actions

» EXPAND ALL  
» COLLAPSE ALL



**Munich Re (Group) staff by gender**  
As at 31 December 2010

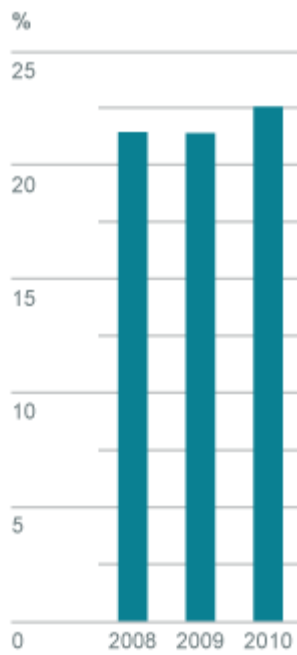


Data relate to Germany and Munich Re's main offices in North America – these figures cover 65% of Munich Re's total workforce.

The proportion of men and women employed at Munich Re has stayed at a relatively constant 50% in each case in the past few years.

▼ **Percentage of females in management positions at Munich Re**

**Percentage of females in management position**  
Munich Re (Group)

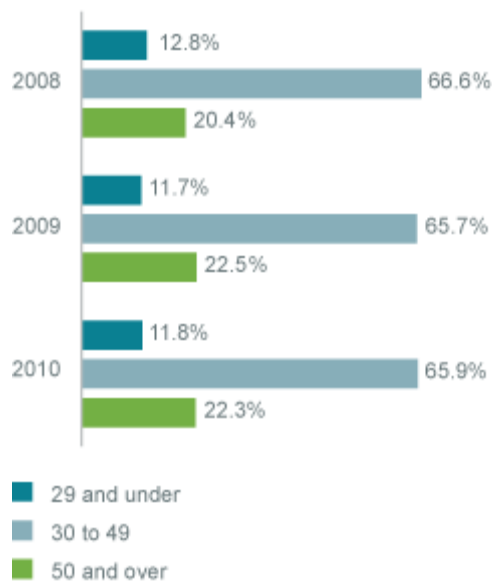


Data relate to Germany and Munich Re's main offices in North America – on average these figures cover 65% of Munich Re's total workforce.

Equal opportunities is an important aspect of Munich Re's human resources policy. The proportion of women in managerial positions in all fields of business has risen in the course of the last few years. The 2010 figure for Munich Re was 22.6%.

▼ **Munich Re staff by age**

**No. of staff by age Munich Re (Group)**



Data relate to Germany and Munich Re's main offices in North America – on average, these figures cover 57% 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 company 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 are scheduled to be established at others. » more

### 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. » 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 the Group as a whole will be carbon neutral, a step that our reinsurance arm will 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

## 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 are scheduled to be established at others.**

Munich Re's main objective is to minimise the environmental pollution caused by our business operations. We are therefore reducing our consumption of paper, water and energy and cutting our travel, waste and energy emissions. In doing so, we apply the highest technical standards wherever economically feasible.

### Munich Re Group's environmental management systems

To anchor our environmental guidelines in our various operational processes, Munich Re, the ERGO Insurance Group in Germany and DAS UK have implemented environmental management systems. We have drawn up codes of conduct to encourage our staff to take into account the effects their actions and decisions have on the environment. We are also continuously extending the scope of the environmental data we record, as much as 60% of our workforce being covered in 2010, so that we can measure and evaluate our environmental footprint.

### ISO 14001 certification standard

Environmental management systems systematically record the effects our actions have on the environment, helping to keep the potential consequences to a minimum. However, such systems can only work if the results can be documented and verified. Our aim is to achieve certification to **» ISO 14001** throughout the Group as a whole. Just over 20% of Group staff already work at office sites that have been certified. The internationally recognised ISO standard sets out the requirements that an environmental management system has to meet. The results and data are regularly inspected by independent environmental verifiers.

### Leading the field in primary insurance: ERGO

The scope of the environmental management system operated by Victoria, now ERGO, from 1998 was extended in 2010. As a basis for certification of the ERGO Insurance Group as a whole to ISO 14001, ERGO has published guidelines setting out its responsibility for environmental and climate protection. "Our efforts range from modernising our office technology to sharing environmental tips with our employees", says Ulf Mainzer, who is in charge of environmental matters on the Board of Management of ERGO Versicherungsgruppe AG. "All measures are very well received and the annual 'Cycle to work' campaign organised among our staff has proved especially popular."

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

### Environmental management: Organisational structure

Organisational responsibility for environmental protection at Munich Re's head office in Munich has been allocated as follows: the full Board of Management, represented by Chairman Dr. Nikolaus von Bomhard, is responsible for our environmental protection strategy and measures. Dr. Astrid Zwick, Head of Corporate Responsibility and Environmental Officer at Munich Re, advises the Board on environmental issues and reports to it on current projects.

ERGO has also allocated responsibility for environmental management according to a defined structure. Dr. Ulf Mainzer, ERGO's Board member for Human Resources and General Services, is responsible for environmental matters. In 2009, ERGO set up an independent employment, health and environmental protection unit, responsible for developing the environmental management system on the basis of ISO 14001.

### Downloads

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

# 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 consumption and decreasing emissions resulting from business travel and the disposal of waste.

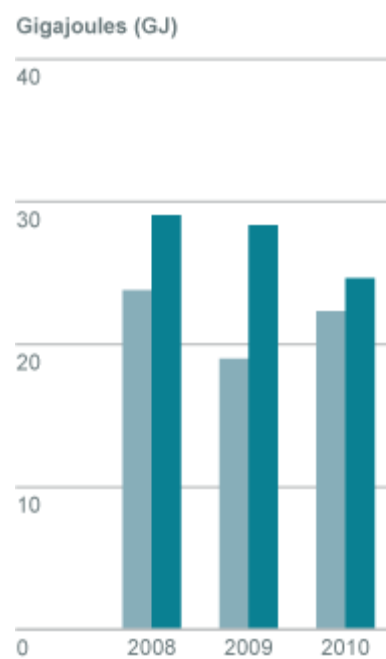
The following table provides information on our current consumption of resources.

Indicator	2007	2008	2009	2010
Direct energy consumption per employee in financial year in GJ*	22	24	19	22
Indirect energy consumption per employee in financial year in GJ*	30	29	28	27
Paper consumption per employee in tonnes	0.04	0.04	0.04	0.03
Water consumption per employee in m <sup>3</sup>	32	20	20	18
Waste per employee in tonnes	0.26	0.23	0.35	0.31
Business travel per employee in km	7,017	7,670	7,070	7,245

\*GJ: Gigajoules

### Direct and indirect energy consumption per employee

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



- Direct energy consumption per employee in GJ
- Indirect energy consumption per employee in GJ

Direct energy consumption (Scope 1) per employee rose significantly in the reinsurance group between 2009 and 2010. This increase is attributable to the inclusion of more data, i.e. more data are being recorded.

Indirect energy consumption (Scope 2), on the other hand, has significantly decreased. One reason for this shift from direct to indirect energy consumption is the more extensive recording of data in Munich Re (Group). Other factors influencing these figures include measures taken to increase the efficiency of energy usage and the effects of weather.

### Paper consumption per employee

#### Downloads

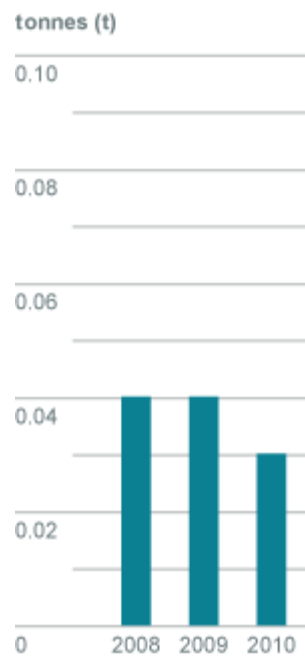
- » Environmental guidelines of Munich Re (reinsurance) (PDF, 15 KB, German version)
- » Environmental guidelines of ERGO (PDF, 54 KB)
- » Environmental guidelines of DAS UK (PDF, 104 KB)

#### Actions

- » EXPAND ALL
- » COLLAPSE ALL



#### Paper consumption per employee



Paper consumption decreased significantly. Savings were achieved by digitising documents and forms in e-mail attachments instead of sending them on paper and by printing both sides of paper.

Proportion of FSC recycling paper used to overall paper consumption:

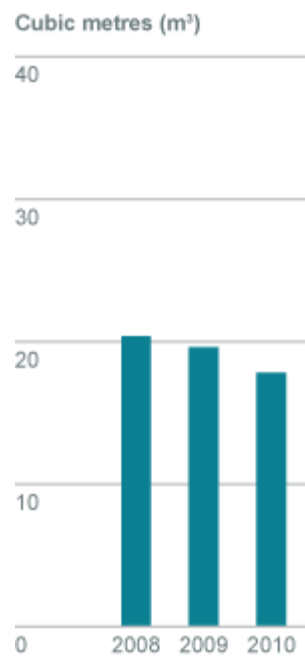
2010: 65%

2009: 53%

2008: 55%

#### Water consumption per employee

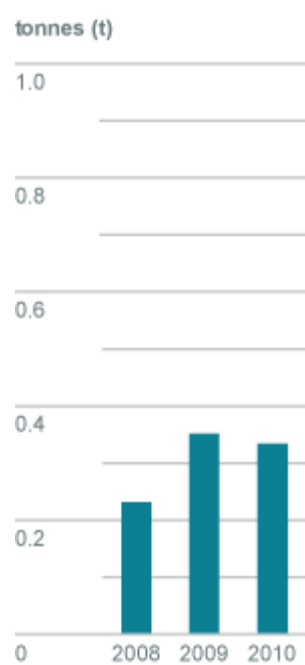
##### Water consumption per employee



In 2010, per-employee water consumption was reduced to 17.65 m<sup>3</sup>.

#### Waste per employee

##### Waste per employee

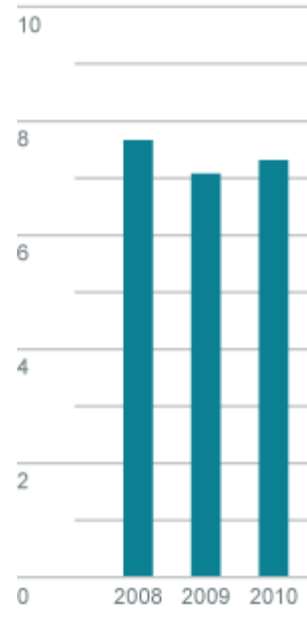


In 2010, the amount of waste produced per staff member decreased slightly to 0.31 tonnes.

#### Business trips per employee

Business trips per employee

Kilometers (km) in thousands



Business travel to call on clients is indispensable for us as insurers. Following a slight decline in 2009, the level of business travel rose somewhat again in 2010. The per-employee average rose due to a slight increase in the absolute total together with a slight decline in the number of staff.

# OUR ENVIRONMENTAL AWARENESS

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

## Climate protection – Leading by example

Our objective is to increase political and public awareness of climate change – applying all our 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 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 is focused on a reduction in 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 6 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 by at least 10% to less than 5.4 t per staff member. During the second stage, the remaining emissions will be offset through the purchase of » emission allowances.

### Step-by-step climate neutrality

The first step consists in establishing the framework conditions and parameters for all companies throughout the Group. This includes determining the emissions caused by staff as accurately as we can and expanding our data records even further.

Our environmental management system aims to reduce our carbon emissions and achieve carbon neutrality. All components of this system, which we monitor annually (energy consumption, water, paper, waste and travel) each have their own specific carbon footprint and can be calculated and reduced by means of targeted measures. Examples are described below:

Not only do we sensitise our staff to the issue, we also submit proposals for avoiding emissions. These focus on highly effective measures, including the organisation of video and telephone conferences in order to reduce business-travel-related emissions. More energy-efficient building-services engineering systems, for which Munich Re has repeatedly been awarded national and international prizes, plays a particular role in reducing emissions.

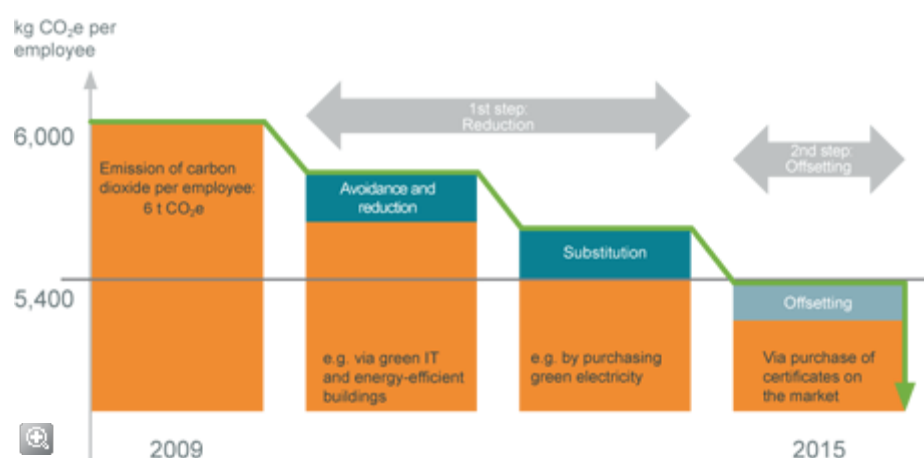
To reach our goal of decreasing carbon emissions by 10%, we are also aiming to purchase more electricity from renewable energy sources at other business locations. A 25% share of green electricity in the Group as a whole, for instance, could lead to a reduction of 15% in emissions. The Munich and Milan sites are setting a good example in this regard, as 100% of their power requirements are already met by green energy sources.

All Group units independently implement their carbon neutrality standards within these framework conditions.

### Munich location carbon neutral since 2009

The Munich Re headquarters reached 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 cancelled out by the purchase of emission credits. In total, this means that 25% of the Group are already climate neutral.

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



### Greenhouse gas emissions at the Munich site in 2010

	2010	2009	2008	2007	2006
<b>Emission before measures</b>	26,506	26,556	22,835	22,891	22,288

### Image Gallery



» Green building – Outstanding examples

### Related Topics

- » Challenges: Climate change

in t CO<sub>2</sub>e

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<b>Measures in t CO<sub>2</sub>e</b>					
Carbon free electricity	16,159	16,548	14,018	0	0
Offsetting	10,348	10,008	0	0	0
<hr/>					
<b>Residual emissions in t CO<sub>2</sub>e</b>	0	0	8,817	22,891	22,288
<hr/>					
<b>Level of carbon neutrality</b>	100%	100%			
<hr/>					
Reduction per employee (compared with base year)	-62%	-62%			

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**Green building with certified sustainability**

MEAG is also actively committed to environmental protection. On behalf of Munich Re and ERGO, our asset manager invests in renewable energies and technologies, and its climate-friendly investment products are available to investors outside the Group as well. Worldwide, MEAG's investments in certified sustainable property have surpassed the €1bn mark. Many of the buildings have been awarded the » **GreenBuilding certificate by the European Commission** and fully comply with the requirements of the 2007 German Energy Saving Ordinance (EnEV). Many of these energy-efficient buildings are used by Munich Re companies themselves. That MEAG engages in climate protection "on its own doorstep" is illustrated by the fact that it has been awarded numerous prizes for resource-efficient energy management and by its use of green IT solutions.



MUNICH RE >	STRATEGY AND CHALLENGES	<b>MANAGEMENT</b>	SOLUTIONS	COMMITMENT	FACTS AND FIGURES
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» Home » Management » Our environmental awareness

## 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 is a member of the Climate Group. This association of international financial services providers helps corresponding companies find solutions to climate change, for example by adapting both their product ranges and their consulting services to changing environmental conditions.

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.

### PSI – Promoting sustainability in the insurance sector

Munich Re is also 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 aim of the working group is to draft global best-practice principles and lay down specific measures for successfully implementing them, primarily in relation to ESG (environmental social governance) issues and implementation thereof 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. In addition, four guidelines are due to be signed at the Rio+20 summit in June 2012.

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



» Home



## 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](http://munichre.com)
- » ERGO
- » Munich Health
- » MEAG



## Sustainability determines core business

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 plays 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 categories show how Munich Re is already combining insurance solutions with corporate responsibility.

Munich Re has been working since 2007 in the commission of the United Nations Environment Programme Finance Initiative (UNEP FI), which is developing the "Principles for Sustainable Insurance" (PSI), and has been actively involved in formulating these principles. 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. The final version of the principles is to be signed during a UN conference on sustainable development, "Rio+20", in June 2012.

The approach of the PSI corresponds to that of the "Principles for Responsible Investment" (PRI), which Munich Re was the first German company and first insurer to sign back in 2006. Together with the PRI, the PSI are to form the framework for a holistic approach to sustainability in the insurance industry.



"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 postulates that effecting its holistic approach to corporate responsibility will involve five activities:

- **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 requires detailed knowledge of, for example, the 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 the assessment of natural hazard risks, from entire portfolios down to individual risks at specific locations anywhere in the world.
- **Providing 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 on how to avoid developing diabetes, cardiovascular or 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.
- **Sharing knowledge**  
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.

### Related Topics

- » Strategy: Guiding Concept and Mission
- » Strategy: Fields of action
- » Management: Principles for Responsible Investment



## 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. And so we are geared to profitable, long-term growth and develop new, tailored products and solutions. This is very much appreciated by our clients, as shown by the latest (Flaspöhler, 2010) reinsurance survey, in which Munich Re was once more voted best reinsurer 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, visionary » 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 a 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](http://munichre.com)

» Reinsurance



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» Home » Solutions » Reinsurance

## REINSURANCE

### INSURANCE CONCEPTS FOR RENEWABLE ENERGIES

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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 provide visionary insurance solutions and expertise that promote the development and propagation of technology to generate electricity from renewable energy sources.**

The importance of renewable energies is set to increase further for two reasons. Firstly, wind, solar and geothermal energy help reduce greenhouse gas emissions. Secondly, unlike oil, coal and other fossil fuel resources, supplies are inexhaustible. However, tapping into the energy supplies of the future brings with it not only enterprise risks but also other, new types of risk. Whether lack of wind, not enough sunshine, or an unsuccessful geothermal drilling project – Munich Re can provide risk transfer solutions and programmes for many of these problems, paving the way for investments in technologies to a low-carbon future.

### New policies – Making projects viable

Munich Re devises insurance solutions that promote the use of new technologies in the field of renewable energies. Our products make such projects possible, because returns on the relevant investments are often subject to a special type of risk, e.g. weather conditions, that are beyond anyone's control. Whether we are talking becalmed wind turbines or cloud cover over a solar park – Munich Re provides innovative coverage programmes that give technology developers, operators and investors the necessary planning certainty.

### Special cover for offshore facilities

The investment risks are particularly great in the case of offshore wind technology. It takes approximately three years of planning, technological and logistical effort before a plant is operational and ready to withstand the elements it is exposed to at sea, so that the construction phase alone can be problematical for all parties. With the extensive experience we have gained from insurance products for offshore wind farms and our work with research institutes worldwide, we can help assess the risks and determine the conditions under which they can be insured.

The same applies to onshore technology. Since the beginning of 2011, for instance, we have insured a manufacturer of wind turbines that gives its clients a multi-year guarantee for its up to 2.5-MW wind farms. We cover this liability commitment, thus assuming the financial risk involved. This is the first insurance of its kind worldwide. It provides relief for both manufacturer and investors and promotes the growth market for this new technology.

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

Solar cell manufacturers, too, generally give a 20- to 25-year performance guarantee – considerably beyond what is required of them by law, setting up a corresponding provision against loss or damage claims in the balance sheet. However, Munich Re's experience and calculations show that it is more economical to insure against such eventualities. Munich Re offers performance warranty covers that take the strain off the solar cell manufacturer's balance sheet.

For example, Munich Re and industrial insurance broker Filhet-Allard have devised a new cover for solar technology manufacturer Solairedirect, which will meet existing guarantees even over a period of up to 25 years. Munich Re insures reductions in the output of photovoltaic modules below defined significant levels. This is an insurance first in the French market, which makes it much easier to obtain funding for major solar energy projects and gives 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, steam for industrial processes and electricity generation. However, the exploration risk is still a major investment hurdle, since it is possible that, despite painstaking and costly preparatory work, insufficient quantities of hot water will be found to make a geothermal power plant economically viable. Munich Re believes geothermal energy could one day make up a large share of the renewable energy mix. In 2003, Munich Re became the first insurer to develop a policy covering the costs of unsuccessful geothermal drilling projects.

### Related Topics

- » RENT
- » Challenges: Climate change

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

- » Focus topic Climate change



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## 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 and wind power plants in Southern Europe and North Africa. This initiative will provide energy to supply much of the producer countries and at the same time meet a substantial portion of Europe's energy needs.

As a founder member of the Dii industry initiative, Munich Re is participating 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 huge vision that goes back to an idea conceived by American entrepreneur Frank Shuman in 1913: to construct solar power plants in the Sahara supplying much of Europe, the Middle East and North Africa with renewable energy. The objective the alliance has set itself for 2050 is that a major share of the energy produced will remain in the producer countries whilst, at the same time, 15% of Europe's energy needs will be met.



### Solar energy from the desert

The electricity will be transported to Europe via a high-voltage direct-current grid with minimal transmission losses.

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

### Supporting climate-protection goals and increasing opportunities for development

The project has the potential to provide substantial economic, ecological and social benefit. Firstly, it will promote energy security in Europe, the Middle East and North Africa ( » EUMENA). Secondly, by attracting substantial investment it will boost growth and development opportunities in the producer states of the Middle East and North Africa ( » MENA). Initial reference projects are scheduled for implementation in Morocco, which already has a grid connection with Spain. In Summer 2010, state-owned solar energy agency MASEN (the Moroccan Agency for Solar Energy) invited tenders on behalf of the Moroccan government for the first plants to be constructed. Located at Ouarzazate, they will have a total output capacity of 500 MW. In just a few years' time, they could be supplying electricity to the Moroccan and Spanish grids.



“We have to develop solution approaches in response to the challenges of power supply and climate protection that cover the needs of a growing population on a sustainable basis without coming into conflict with scarce resources and climate objectives.”

Ernst Rauch, in charge of the project that set up Dii within Munich Re

### Improving living standards, safeguarding core business

Some of the electricity generated from renewable primary energy sources (solar/wind) could also be used, for instance, to power seawater desalination plants. In this way the project could also do much to improve the MENA region's drinking water supplies.

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, this is helping to safeguard the long-term profitability of our business.

### Tapping into new fields of business and exploiting investment opportunities

Innovative renewable technology requires state-of-the-art coverage programmes that minimise the risks for developers, producers and investors. Whether water, wind or solar energy, we are constantly monitoring developments and can offer the right risk-transfer solutions. As a major investor worldwide, we try to maintain a diversified portfolio, which also means more direct investment in renewable energy. In the context of the initiative, our involvement in Dii GmbH gives us, as a strategic investor, an opportunity to play an even more active role in the transition to more climate-friendly energy sources. This commitment also clearly illustrates Munich Re's desire to reconcile commercial interests with sustainable development and social responsibility.

### Related Topics

» Challenges: Climate change

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

» Focus topic Climate Change - Power from the desert

### External Links

» Dii GmbH  
» DESERTEC Foundation

The DESERTEC Foundation – the NGO partner in Dii GmbH – took its commitment a stage further in November 2010 by setting up the DESERTEC University Network (DUN), in which 18 universities from six countries in North Africa are currently involved, together with a number of European universities. The aim of this research partnership is to promote local training programmes in the field of renewable-energy technologies in North Africa and the Middle East, providing jobs and development opportunities for young people. In the long term, the network will facilitate a global platform, permitting the implementation of projects of this nature in other parts of the world as well. As a DESERTEC Foundation partner, Munich Re, is closely involved in the network and is also using it to foster support for new technologies in the neighbouring countries.

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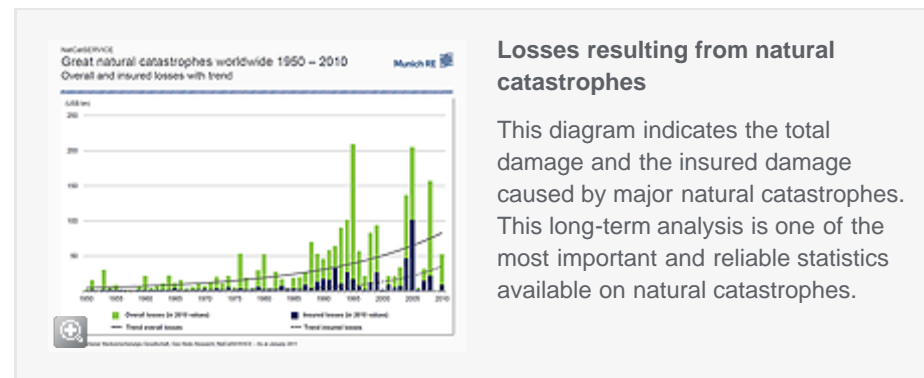
## NATHAN – Improving natural hazard assessments

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 of course 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 which Munich Re has systematically recorded over the past four decades and is now stored in a unique loss database with more than 28,000 entries. This extensive knowledge is the basis for our NATHAN offerings, 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 finds application in both science and political decision-making processes.



### 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 including 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.

### Knowledge transfer in the new research centre

With its broad NATHAN expertise, Munich Re also supports scientific research. For example, we are a founding member of the new Institute for Business and Home Safety located in South Carolina, USA. Founded in October 2010, this centre is uniquely suited for conducting catastrophe simulations because its large-scale subterranean laboratories can simulate hurricane winds exceeding 200 km/h and test their effects on buildings and infrastructure.

### The United Nations are showing interest

This comprehensive know-how regarding disaster preparedness and climate change is also of interest to the United Nations. The UN wants to become better acquainted with Munich Re and its services and to utilise them more intensively in the future. In February 2011, Thomas Loster, Head of the Munich Re Foundation, was invited to UN headquarters in New York, where he made a presentation on NATHAN services and Munich Re's solutions for adapting to the consequences of climate change.

### Related Topics

» Challenges: Climate change

[munichre.com](#)

» Touch Natural Hazards  
» NATHAN

### Publication

» TOPICS GEO Natural catastrophes

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## Microinsurance – Safeguarding livelihoods in emerging countries

**Munich Re is already designing » microinsurance solutions for developing and emerging countries in a number of countries. In this way, we also want to play our part in overcoming poverty. In many parts of the world, we cooperate with appropriate experts in the context of » public-private partnerships in order to offer new risk-transfer solutions for low-income sections of the population.**

Many developing and emerging countries, such as Indonesia and the Philippines, are severely affected by natural catastrophes such as floods, storms and earthquakes. In particular, low-income sections of the population with no social protection may lose the entire basis of their economic livelihoods from one moment to the next.

### Doing something for society

As a reinsurer, Munich Re – in partnership with primary insurers and other institutions such as international NGOs – therefore offers people in the regions concerned affordable policies, tailored to their specific needs: » microinsurance is an offshoot of the microloan model, introduced worldwide some time ago. » Microloans can substantially improve the situation of the local population by providing access to funding for investments that ensure their livelihoods. By means of microinsurance families can be covered against the loss of such investments if property or the life of the borrower – often the father or mother of a family – is destroyed by catastrophic events. In this way, both systems play a part in overcoming poverty.

### Public-private partnership in the Philippines

In December 2009, Munich Re, the German Gesellschaft für Internationale Zusammenarbeit (GIZ) and the umbrella organisation of Philippine cooperatives, CLIMBS, jointly launched a project which was successfully implemented in October 2010. Based on a detailed analysis, Munich Re and GIZ developed weather-index microinsurance enabling the cooperatives to limit their loan defaults and meet their social commitments in the event of a catastrophe. Immediately after the 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. Organisational units of the Philippines government are also involved in the public-private partnership in addition to various Munich Re departments, GIZ and external advisers.

### Microinsurance segment: A growth market

By providing economic stabilisation, microinsurance has a positive effect on social development at local level. It is also provides a sustainable way for a country's primary insurers to do business in the long term. And for Munich Re (reinsurance) microinsurance also constitutes an investment in the future. We agree with the experts in this field that 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
- » Commitments: Munich Re Foundation
- » Challenges: Accessing financial solutions

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## REINSURANCE

INSURANCE CONCEPTS FOR RENEWABLE ENERGIES

DESERT POWER

NATHAN - GEOINTELLIGENT SOLUTIONS

MICROINSURANCE

**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](http://munichre.com)

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## ERGO – Sustainable insurance products and services

**ERGO also follows the strategic principle of utilising its expertise responsibly and profitably. For example, societal changes such as the public’s heightened environmental awareness are taken into account in creating new insurance solutions.**

The ERGO Insurance Group offers a wide range of primary insurance products and financial services. In developing these products, the Group gives special consideration to macro-societal processes. ERGO responded early to society’s growing environmental awareness. One example of a product catering to these client needs is a motor policy that offers rewards in the form of lower premiums to policyholders who have particularly environmentally friendly vehicles. The insurer also 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 that has been adapted to suit the financial situations of relatively poor sections of the population in emerging and developing countries.

### Advice on health and consumer issues

One of ERGO’s central goals is to offer its clients comprehensive and competent advice. The company advises consumers on topics such as motor vehicles, housing, careers, and family life. And ERGO’s health specialist, DKV, supplies its clients with extensive information and advice on health topics.

### Insurance solutions that help protect the environment

Environmental aspects are taken into account in many products. ERGO uses innovative insurance solutions to cover technical risks involved in generating electricity from renewable sources. ERGO also offers unit-linked annuity insurance under which the client’s capital is invested in the shares of companies known to do business in an environmentally and socially responsible manner. And should an incident impair the environment, ERGO ensures that the ecosystem affected is rehabilitated. » **more**

### Microinsurances – Small policies with a big impact

Global societal challenges influence product development. Many people in emerging countries cannot afford insurance cover. ERGO therefore offers policies, which are tailored to the financial situation and the living conditions of people in developing and emerging countries. But not only emerging countries do benefit from this solution - microinsurance for ERGO also means an economically sustainable investment in growing markets. » **more**



#### External Links

» [ERGO](#)

## PRIMARY INSURANCE



ECO-FRIENDLY INSURANCE SOLUTIONS

MICROINSURANCE

## Insurance solutions that help protect the environment

Many ERGO products give special consideration to environmental aspects. For example, ERGO uses innovative insurance solutions to cover technical risks involved in generating electricity from renewable energies. ERGO also offers unit-linked annuity insurances designed to take ecological aspects into account. And in the event that an incident should impair the environment, ERGO ensures that the ecosystem affected is rehabilitated.

ERGO has a number of insurance products in its portfolio that give special consideration to ecological aspects.

In the case of life insurance, clients have the opportunity to protect themselves against various risks and provide for their own old age at the same time they are making sustainable investments. For example, clients can conclude unit-linked annuity insurance in a way that also allows them to take into account ethical, social and ecological concerns. The client's capital is invested in shares of companies that demonstrably do business in an environmentally and socially responsible manner.

But ERGO also offers environmentally friendly insurance solutions for motor vehicles and renewable energy technologies. Whenever clients take out public liability, professional liability or environmental impairment liability insurance, ERGO also checks whether environmental risks exist and, if so, how significant they are, and insures the potential losses.

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

ERGO's range of motor insurance offerings includes an eco-rate that provides incentives for environmentally friendly mobility: vehicles with particularly low levels of CO<sup>2</sup> emissions qualify for policies that cost up to 10% less than those for conventional vehicles. The limits are based on the models of each vehicle type – from micro-cars to vans – that produce the lowest CO<sup>2</sup> emissions. These policies also cover any environmental damage that results from a motor accident.



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

### Insurance secures the future of renewable energies

In light of the limited reserves of fossil fuels and increasing need for environmental and climate protection, the utilisation of renewable energies is taking on an ever more important role. ERGO has the requisite know-how to keep pace with technological developments and offer the insurance protection needed to utilise the energy sources of the future. Combined property and business interruption insurance provides policyholders with client-friendly, comprehensive protection. The policies are tailored in each case to the technologies involved and their special features. ERGO offers insurance solutions for photovoltaic, wind-energy, hydroelectric, biogas, geothermal and fuel-cell systems. The focus of ERGO's activities is the photovoltaic market, where 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.

### Repairing damaged ecosystems

Germany's Environmental Damage Prevention and Remediation Act entered into effect in November 2007 and 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 the slightly less than four years since then, 80,000 clients have concluded a policy of this type with ERGO. Since 2009, ERGO has also integrated environmental impairment insurance in public liability insurance, particularly in cases involving commercial risks. In this way, the insurance company offers its clients special insurance protection.

### Helping clients save energy

For ERGO, it is entirely natural to offer its clients insurance products designed to support measures to save energy. Householders' insurance, for example, covers additional costs for environmentally friendly household appliances. If, for example, a household appliance is damaged, the policy pays the higher cost of buying a new appliance that fulfils more demanding, environmentally friendly standards (reduced energy consumption).

### External Links

» ERGO

## PRIMARY INSURANCE



ECO-FRIENDLY 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. One pilot project, for example, enables the rural populace in southern India to insure their cattle.**

ERGO wants to offer people in developing and emerging countries insurance products which are tailored to their needs and which they can afford. In » public-private partnerships, the primary insurer cooperates closely with non-governmental organisations (NGOs) and microfinancing institutions to develop products ranging from health, personal accident and property policies to covers providing protection against the loss of working animals. Farmers can also insure themselves against damage and losses, particularly crop losses.

### Investing in a growing market

ERGO sees its commitment in the field both as part of its corporate responsibility, and as an investment in a growing market. "The primary insurer is focusing its attention primarily on the future market in Asia", says Andreas Kleiner, Board member responsible for business in Asia. For instance, the Indian property-insurance joint venture HDFC ERGO has set up a separate unit, the Rural & Agricultural Business Group, to handle microinsurance solutions.



"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 ERGO Board of Management responsible for Asia and Turkey

### Helping people who have lost all their possessions

In the rural regions of southern India, ERGO uses HDFC ERGO General Insurance as a marketing channel for a variety of » microinsurance products: life, health, personal accident, travel, motor, householders' and company covers as well as a special animal and machine policy. The last of these is intended to help people who, as a result of an earthquake, for example, have lost their homes, working animals and/or tools. In order to be easily and quickly accessible for such people, HDFC ERGO has set up sales rooms in fifty rural supermarkets in the province of Uttar Pradesh.

### Cooperating to achieve optimal health protection

In order to ensure the best health insurance possible, HDFC ERGO has entered into another partnership with the international healthcare company Biocon and 15 microfinance institutions in the southern Indian state of Karnataka. Working together, they can offer local people low-cost health insurance. In this cooperation, the microfinance institutions act as intermediaries, brokering the insurance to their clients, while HDFC ERGO carries the risk and covers the costs of surgical interventions and hospitalisation. Biocon provides outpatient care and health advice.

### Concluding contracts via cell phone

The project in Karnataka has already got off to a very successful start, as 100,000 people have insured themselves, and it is expected that this figure will rise to about one million in the next three years. Plans even foresee the option of concluding a policy via cell phone and GPRS data transmission as of the first quarter of 2012. This service would be helpful especially for all those living in remote rural areas who would have access to insurance protection for the first time.

### Weather insurance

The strongest and most promising area of microinsurance growth in India for HDFC ERGO is "weather insurances", i.e. microinsurance products that provide protection against weather extremes such as extended periods of high temperatures, drought or heavy rainfall. As soon as specified parameters (for example, a specified temperature or quantity of rain) are reached, the policy pays the previously agreed amounts, regardless of how extensive the loss actually is. The benefits agreed are modelled to correspond to the losses actually to be expected – based on data collected by the Indian Meteorological Department (IMD). Parametric triggers of this type are used especially to avoid having to assess the actual extent of loss, which would often not be cost effective given the low sums insured and, in the case of microinsurance products, entails the danger that loss assessment would prove to be more costly than the losses themselves.

HDFC ERGO is the first private insurer to be allocated four Indian states (Rajasthan,

### Related Topics

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

### External Links

- » ERGO

Madhya Pradesh, Karnataka and Tamil Nadu) in a project run by the Indian government.

Munich Re also offers microinsurance products in its reinsurance and Munich Health fields of business.

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## Global healthcare expertise

Munich Re's global healthcare insurance and reinsurance expertise is pooled in its Munich Health brand. Around 4,000 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 alike. In 2010, it was able to more than double its profit and, following acquisitions, is now stepping up its activities on the US market.

### Integrated healthcare – A role model

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 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



## MUNICH HEALTH

### INTEGRATED HEALTHCARE

### INNOVATIVE HEALTHCARE PROGRAMS

## Integrated healthcare – A role model

**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.**

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 in the long term on behalf of a government. Spain’s Denia 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’s business segment, 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 improves healthcare quality

In Denia, 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

## MUNICH HEALTH

INTEGRATED HEALTHCARE

INNOVATIVE HEALTHCARE PROGRAMS

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

**In Abu Dhabi, Munich Health has incorporated its long-standing 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. Together with almeda, Munich Health has offered comprehensive healthcare programmes for diabetics and obese patients since August 2009, 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 by coordinating their treatment and reducing the long-term consequences and complications, hence reducing 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. In November 2010, DAMAN National Health Insurance acquired its two millionth client. The strategic partnership between DAMAN and Munich Health is planned to run until 2019.

### External Links

» Munich Health



## Sustainable asset management

Years of experience, all-round know-how and sustainable asset 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 include retail funds for private investors with a volume of around €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

## 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. Kabisch is convinced that "the environment will benefit from these investments, as will the investors".

#### 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 2010, 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

Foundations generally gear their investments to the purpose of the foundation. At the same time, they expect solid returns. 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 that is in line with the capital markets. In 2009, the fund met with so much approval that MEAG opened it to private investors in spring 2010. MEAG FairReturn was rated as "very good" by Feri EuroRating in January 2011 – principally due to the fund's investment style, particularly its limiting 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)

MUNICH RE >	STRATEGY AND CHALLENGES	MANAGEMENT	SOLUTIONS	COMMITMENT	FACTS AND FIGURES
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» Home



## 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 assuming responsibility for the community and committing ourselves to social concerns, such as health and environmental protection.

To us, this means assuming responsibility for the community in which we live and work. In addition to systematically promoting education and science, Munich Re supports selected cultural and social projects at its business locations. Health is another cornerstone of our activities, for instance within the framework of ERGO's various prevention projects. Munich Re's commitment is backed by three foundations, each of which contributes significantly to sustainable projects and activities at national and international level.

#### Concept



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

#### Focal areas – 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





## New corporate citizenship concept – Commitment according to plan

**Corporate citizenship – Munich Re's 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 youth and school projects, with a strong focus on the promotion of educational and children's projects in the field of music. 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



## 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 support 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. After all, 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. We believe cultural diversity is crucial to society's well-being and serves as a barometer for innovative developments and global trends. [» 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](#)

## FOCAL AREAS

### EDUCATION AND SCIENCE

#### ART AND CULTURE

#### SOCIAL COMMITMENT

#### HEALTH

## Education and science – Basis for the future

Well-founded knowledge has a high priority for Munich Re as a financial services provider. After all, our knowledge of risk is the cornerstone of our business. Our social commitment is therefore centred on the areas of education and science.

To solve current problems and be ready to tackle those of the future, Munich Re supports education and training of children throughout the world and we sponsor university research and courses both in Germany and abroad. We see this as an investment in our future.

### School 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 particularly keen to promote the training and education of young people through its involvement in a number of support projects, for example as chief sponsor of the 2010 schools competition "Schule macht Zukunft" (School shapes 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. For this reason, in cooperation with the Dr. Kurt Hamann Foundation, the ERGO Insurance Group supports diploma candidates at the University of Mannheim. ERGO also helps talented students as part of the North Rhine-Westphalia Scholarship Programme, most of whom are studying insurance science, health economics, actuarial science and media information technology. ERGO Latvia's sponsorship programmes offer orphans the chance of a university education, and in Italy Munich Re supports the most talented graduates from Milan's Bocconi University by financing a part of their postgraduate studies in insurance and risk management.

### 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. The Society's offices and staff are provided by Munich Re and this organisation is able to 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. This international perspective on mathematics greatly benefits all those interested or involved in the subject. Another project was a Chair in Insurance at the University of Waterloo, which our subsidiary Munich Re of Canada helped to establish.

### Sponsoring gifted students

Some talented young people lack the means to make the most of their potential. For this reason, in cooperation with the Dr. Kurt Hamann Foundation, the ERGO Insurance Group supports diploma candidates at the University of Mannheim. ERGO also supports talented students as part of the NRW Scholarship Programme, most of whom are studying insurance science, health economics, actuarial science and media information technology.

### Social dialogue

Using our expertise as a foundation, we take an active role in society's dialogue in order to develop appropriate solution strategies for handling risks. We are therefore involved in dynamic global collaborations with a wide variety of interest groups and NGOs and with experts from the world of politics, public administration, and science. Numerous memberships and cooperation partnerships with university associations and academic societies to promote insurance sciences facilitate a direct exchange with up-and-coming 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



#### 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)

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:**





## 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. We believe cultural diversity is crucial to society's well-being and serves as a barometer for innovative developments and global trends.

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 Re's appreciation of art has a long-standing 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.

A striking new visual element in Munich Re's art collection is the sculpture by Roxy Paine. 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 take up 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).

### 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. Several times a year it organises guided tours for staff to current exhibitions.

### Sparking 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 through play.

### Organisations supported by Munich Re:



### External Links

- » ERGO: Commitment to music
- » Wettbewerb Klima und Kunst (German only)
- » Gustav Mahler Jugendorchester
- » Junge Tonhalle (German only)
- » SingPause (German only)



## 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 particular 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 mental rehabilitation of people with disabilities. For example, at our Munich site we regularly employ interns with physical disabilities whose placements are arranged via Pfennigparade.

We are also involved in projects that bring together disabled and non-disabled children. The integration of people with disabilities is promoted at Munich Re's international sites as well. The client call-centre staff at DKV Seguros in Spain numbers 226 colleagues with a physical disability – 52 of them have in the meantime transferred to other company units. In cooperation with the Integralia Foundation set up by ERGO Hestia, Poland, 20 physically disabled colleagues are now contributing to the insurer's success. "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. The institution's director was presented with a donation of €10,000 by ERGO Board member Dr. Daniel von Borries. This money will help "CaFée mit Herz" fund breakfast for its up to 300 daily visitors for a whole year. The CaFée team has also launched a number of different projects including a choir, football matches, theatre performances and gardening activities. ERGO employees raised the funds for the institution at a celebration at its Hamburg location in 2010.

### 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 obtain assistance 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 – including a campaign with the support of former professional racing cyclist Johan Museeuw. ERGO employees in Luxembourg support the local Red Cross by donating €5 for each insurance policy taken out.

In 2010, Munich Health North America decided to address two issues in one go: it stopped printing and sending Christmas cards by mail, and forwarded its season's greetings by e-mail instead. The money thus saved was given to charity.

To mitigate the consequences of the economic crisis in northern Texas, the local Munich Re branch office donated money to soup kitchens and social housing projects. Each dollar provides four meals.

MARC Life, a Munich Re company, makes financial and human resources available for selected social projects, in one case erecting a whole house for a needy family of immigrant origin in a very short period of time.

### Organisations supported by Munich Re:



### Related Topics

- » Dr. Hans-Jürgen Schinzler Foundation
- » Management: Diversity

### External Links

- » ERGO: Social commitment
- » ERGO: "ergo: wir helfen e.V." association (German only)
- » "Helfende Hand" (Helping Hand) Project (German only)

## 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. For example, ERGO has been cooperating since 1997 with the German Hygiene Museum in Dresden via the DKV brand. The museum has set itself the task of promoting health education in an attractive and modern way, a goal to which the DKV as the largest private health insurer in Europe is also committed. In the form of a » public-private partnership, the DKV funds the German Hygiene Museum. In addition to sponsoring project-related cooperations, the funds are used to support all the work done by the museum, so that society also benefits.

ERGO Poland and ERGO Estonia are planning country-wide tours in so-called mammobuses to educate women about breast cancer. The buses will park at public meeting points such as cinemas to offer women a free medical examination (mammography). The bus tour will be backed by an information campaign on breast cancer.

### Promoting exercise and sport

A further aspect of ERGO's social commitment is to promote health through sport. The annual DKV bridge race is another example of our 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. In Munich too, staff are encouraged to participate in an annual company run. Every year, a share of the starting fees is donated to a different regional charity programme.

### Saving lives by donating blood

The staff at ERGO Hestia in Poland are personally committed to the health of their compatriots: a specially equipped ambulance travels six times a year to ERGO's Polish headquarters and collects blood donations. Since 2005, a total of 336 litres of life-saving blood supplies have been obtained in this way. Employees also donate blood regularly at the main offices in Germany and, in doing so, make 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, ERGO 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 the parent initiative for child cancer sufferers Elterninitiative Krebskranke Kinder and to the Münchner Waisenhaus orphanage.



### 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)



## 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](#)

#### External Links

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



## FOUNDATIONS

### MUNICH RE FOUNDATION

DR. HANS-JÜRGEN SCHINZLER FOUNDATION

ERGO YOUTH & FUTURE FOUNDATION

## 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.

Munich Re adopts a prospective, prudent and responsible risk management approach. For around 130 years, we have continuously created value over the long term by assuming a wide diversity of risks globally. Take the example of Mozambique, where river floods have become increasingly common in recent decades – more than 700 people dying in heavy flooding in 2000. The Munich Re Foundation is committed to ensuring that the inhabitants of this southeast African state will be better able to protect themselves from catastrophes in the future.

### Mozambique flood-warning system

Since 2005, the Munich Re Foundation has been involved in the Mozambique flood-warning system project, launched to establish a simple but effective early-warning system along a number of rivers, including the Búzi. It uses existing structures and the experience of well-known organisations to provide the most effective help possible. Experts from the German Agency for International Cooperation (GIZ) and the World Institute for Disaster Risk Management (DRM) set up the early-warning system with the help of local experts and institutions and in conjunction with the population. The Mozambique flood-warning system 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. Wolfgang Stiebens, 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 Mozambique. 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 an 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 2010 conference held in Philippines capital Manila, for example, attracted some 500 experts from 50 different countries, and is the biggest microinsurance conference in the world. It is held in turn in Africa, Asia, and Latin America.

### RISK Award – Coveted disaster-prevention prize

Risks are increasing due to population growth and to environmental and climate change. Complex technical systems and globalised infrastructures involve additional risk potential. Successful risk management begins at the local level, with the people at risk. Consequently, the Munich Re Foundation, the United Nations International Strategy for Disaster Reduction (UNISDR) and the Global Risk Forum Davos (GRF) are sponsoring a substantial prize for projects in the field of disaster reduction. Applicants submit proposals for an early-warning project, and the winner receives up to €100,000 in sponsorship to implement the project. In this way, the RISK Award directly supports projects aimed at reducing risks and improving disaster prevention. The first RISK Award ceremony will be held in August 2012 at the International Disaster and Risk Conference (IDRC) in Davos.



Under the flood-warning system, precipitation levels are measured daily and critical readings reported.



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

#### Related Topics

» Solutions: Microinsurance (reinsurance)

#### External Links

» Munich Re Foundation  
» Munich Re Foundation: Publications

## FOUNDATIONS

MUNICH RE FOUNDATION

**DR. HANS-JÜRGEN SCHINZLER FOUNDATION**

ERGO YOUTH & FUTURE FOUNDATION

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

The » corporate volunteering activities furthered and financed by the Schinzler Foundation and voluntary work by our employees are another pillar of our social commitment.

The Dr. Hans-Jürgen Schinzler Foundation was set up to facilitate voluntary work carried out worldwide by Munich Re (reinsurance) staff in a wide range of fields, including culture, healthcare, the environment, charity work and the academic world. Most of the projects sponsored by the foundation are designed to help children and young people.

#### “66+ generation”

Since retiring from Munich Re, former Board secretary Irm Janik has supported the organisations “SeniorenNet-Süd” and “Zusammen aktiv bleiben”. The latter, which was founded some 30 years ago, offers a wide variety of courses catering for all ages. However, as there were no computer courses introducing older generations to new media, Irm Janik has organised courses on the association’s behalf since mid-2009. The funding to purchase the necessary equipment was provided by the Schinzler Foundation. Spurred on by the positive feedback received from all sides for this initiative, Ms. Janik has been happy to maintain her commitment each year.

#### Support for the environment in Malta

Most parts of Malta, the world’s fourth most densely populated country, are built up, vegetation tending to be sparse and trees few and far between. Environmental awareness is low in Malta by German standards and so staff from Munich Re of Malta (MRoM) together with their families and friends decided to do something for the environment by planting 200 young trees in a recreational area as part of the “34U – Tree for you” campaign held on 12 March 2011.

The staff had already planted 190 trees, 150 of which were financed by the Schinzler Foundation, in the same recreational area in 2010. “Following the positive response received, we were keen to do something similar this year. As a result there is now a Munich Re of Malta copse”, said Rolf Winklmayer, Operations Manager at MRoM.

The foundation supports many other projects involving the realms of culture, healthcare, charity work and the academic world. One of its more recent ventures is the Social Day, first held in 2010, when staff are given a day’s leave to do voluntary work.



Support for the environment in Malta

#### External Links

» [Schinzler Foundation](#)



## FOUNDATIONS

MUNICH RE FOUNDATION

DR. HANS-JÜRGEN SCHINZLER FOUNDATION

[ERGO YOUTH & FUTURE FOUNDATION](#)

## 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 physical, mental or social development of disadvantaged youngsters. The award will be presented to a public/non-profit organisation for the sixth year in succession in 2011. In recent years the spotlight has been on art and the theatre but this year's prize will be awarded to innovative projects and concepts from the world of film and photography.

### Threefold effect

The effect of the prize is 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

The world of film and photography provides fertile territory for projects supporting children and young people. 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 moving"). A jury initially nominated 11 finalists to attend the awards ceremony, which will be held in Hamburg on 9 November. They are all winners because each of the projects nominated will receive the sum of €5,000 in prize money. The awards will be presented by well-known German cameraman Michael Ballhaus and equally famous actor and film director Hark Bohm, both of whom agreed to be patrons of this year's contest.

### Many laureates – Countless winners

The film and photography projects nominated (in 2011) are the latest in the growing line of inspirational winners. The 2010 award was won by the "International Munich Art Lab", a Munich-based project initiated by Kontrapunkt e.V., and offering professional training to deprived youngsters. The 2009 winner was the "Platform Festival 2010" youth theatre festival, organised by the Ernst Deutsch Theatre in Hamburg, which highlights a different socio-political issue each year, the theme selected for its 2009/10 season being "Crisis".

The Jamliner music bus (2008 winner) is a converted public transport bus equipped with instruments and sound system, which takes young people and music teachers around local neighbourhoods in Hamburg and gives youngsters an opportunity to develop and implement their creative ideas. The "Staunen und Lachen verbindet" ("Let us entertain you") circus project from Blankenhain near Weimar (2007 winner) gives young people who are physically or mentally impaired an opportunity to organise and present their own circus programme. Finally, the "Gangway-Fußball-Liga" ("Gangway Football League") (2006 winner) invites youngsters from around Germany who come from a variety of backgrounds to take part in a tournament held in Berlin and develop team spirit and a sense of fair play through sport. The theme of this football league with a difference is "Fairer Streit statt Straßenkampf" ("Fair play beats street-fighting").



The main idea behind the "platform Festival 2010" youth theatre festival, organised by the Ernst Deutsch Theatre in Hamburg, is to give young people from non-cultural backgrounds access to cultural activities.

### External Links

» [ERGO "Youth & Future" Foundation](#)

» Home



## 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 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

## 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 2010 to 30 June 2011, whereas the key indicators concern the 2010 financial year as at 31 December 2010. 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 2010. In addition, the PDF document "Corporate responsibility – Brief report 2010/2011" summarises the most important information in 20 pages.

#### 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 from around 45% to 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. After checking, the GRI confirmed Application Level B for the portal. 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 Communication on Progress report for the Global Compact.

#### Contact persons

The contact person for the CR portal is Georg Schwarz. 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 2010/2011 \(PDF\)](#)
- » [Corporate Responsibility Report 2010/2011 \(PDF\)](#)
- » [Global Reporting Initiative 2010 - Results of the GRI Report \(PDF\)](#)



## 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 the systematic planning of our measures.

### Financial indicators

2010 was marked by high claims expenditure for major losses on the one hand. On the other hand, we posted a very good investment result, in spite of the pronounced volatility on the capital and currency markets. » more

### Environmental indicators

As a financial services provider, Munich Re only has a small environmental footprint compared with that of manufacturing companies. Nevertheless, 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. Munich Re currently has some 47,000 employees. They apply their risk knowledge and innovative thinking to create sustained value. This section of the corporate responsibility portal shows the evolution in Munich Re's employee indicators for the period 2008–2010. » more

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

## Financial indicators (IFRS)<sup>1</sup>

2010 was marked by high claims expenditure for major losses on the one hand. On the other hand, we posted a very good investment result, in spite of the pronounced volatility on the capital and currency markets.

In the period under review, our reinsurance business was affected by high claims costs from major 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, thanks to a very good investment result.

The Munich Health segment contributed a higher consolidated result in the year under review. This segment, which covers our health reinsurance business worldwide and our primary health insurance outside Germany, is 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. The figures for the previous year have been adjusted accordingly.

### Key figures (IFRS)<sup>1</sup>

Munich Re Group		2010	2009	2008	2007	2006
Gross premiums written	€bn	45.5	41.4	37.8	37.3	37.4
Operating result	€m	3,978	4,721	3,834	5,573	5,877
Taxes on income	€m	692	1,264	1,372	801	1,648
Consolidated result	€m	2,430	2,564	1,579	3,923	3,519
Attributable to minority interests	€m	8	43	24	83	94
Investments	€bn	193.1	182.2	174.9	176.2	176.9
Return on equity	%	10.4	11.8	7.0	15.3	14.1
Equity	€bn	23.0	22.3	21.1	25.3	26.3
Valuation reserves not recognised in balance sheet <sup>2</sup>	€bn	3.6	3.2	2.5	0.8	1.9
Net technical provisions	€bn	171.1	163.9	157.1	152.4	153.9
Staff at 31 December		46,915	47,249	44,209	38,634	37,210
Our shares		2010	2009	2008	2007	2006
Earnings per share	€	13.06	12.95	7.74	17.83	15.05
Dividend per share	€	6.25	5.75	5.50	5.50	4.50
Amount distributed	€m	1,118	1,072	1,073	1,124	988
Share price at 31 December	€	113.45	108.67	111.00	132.94	130.42
Munich Re's market capitalisation at 31 December <sup>2</sup>	€bn	21.4	21.5	22.9	29.0	29.9

<sup>1</sup> Previous years' figures adjusted owing to recognition of Munich Health as a separate segment.

<sup>2</sup> This includes own shares earmarked for retirement.

#### Related Topics

- » Environmental indicators
- » Employee indicators

#### Downloads

- » Group annual report 2010 (PDF)



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 gases 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, the occasional “blip” occurs in the time series.

The number of staff employed at Munich Re has increased significantly in the last few years. However, although more staff are now included in the records, the percentage captured has fallen. The same applies to the percentage of staff included in our certified environmental management systems.

Munich Re is continually improving its method of recording in order to be in a position even to correct figures from previous years, which explains any changes made to earlier reports.

### Munich Re’s environmental indicators

Indicator	Unit	2010	2009	2008
Proportion of employees captured by indicator	Percentage of staff	57	48	41
Proportion of employees captured by certified environmental management system	Percentage of staff	20	18	20
Paper consumption	Per employee in tonnes (t)	0.03	0.04	0.04
Direct energy consumption	Per employee in gigajoules (GJ)	21.14	17.57	21.06
Indirect energy consumption	Per employee in gigajoules (GJ)	24.44	29.88	28.84
Water consumption	Per employee in m <sup>3</sup>	17.65	19.88	20.21
Total direct, indirect and other greenhouse gas emissions (scope 1, 2, 3)	Per employee in tonnes (t)	5.26	6.01	5.88
Waste	Per employee in tonnes (t)	0.31	0.34	0.24
Business trips	Per employee in kilometres (km)	7,245.26	7,052.63	7,073.24
No. of staff as at 31 December		46,915	47,249	44,209

#### Related Topics

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

**Related Topics**

- » [Financial indicators](#)
- » [Environmental indicators](#)
- » [Management: Responsibility towards staff](#)

## Employee indicators

Highly qualified and motivated staff are key to the success of our business. Munich Re currently has some 47,000 employees. Thanks to their risk knowledge 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 2008–2010.

### Munich Re employee indicators

		2008	2009	2010
Employees		44,209	47,249	46,915
No. of staff by line of business	Reinsurance	10,534	11,309	11,370
	Primary insurance	32,867	31,145	30,887
	Asset management	808	788	759
	Munich Health	n.a.	4,007	3,899
Percentage of female staff	Female employees (%)	51.44	49.87	49.25
	Female managers (%)	21.41	21.60	22.60
No. of staff by age	29 and under	3,171	3,151	3,155
	30 to 49	16,399	17,668	17,629
	50 and over	5,046	6,070	5,949
No. of staff by type of employment contract	No. of full-time staff	21,129	23,033	22,556
	No. of part-time staff	3,487	3,856	3,981
Sick leave	Sick leave (%)	4.36	4.17	4.30
Training	Training costs per staff member (€)	777	1,082	1,036
	No. of days' training per staff member	3.29	3.52	3.36
Employee turnover rate	Weighted average turnover rate (%)	4.85	6.40	7.44
Length of service	2008 and 2009: Weighted average length of service (years)	14.69	14.89	14.83

#### Remarks

The figures shown cover an average of 65% of Munich Re's total workforce, except that this average is about 9% lower in cases where primary insurance data include desk staff only. Length of service relates to German offices only. If the main offices in North America are also considered, the average length of service falls to 13.62 years. Since the data now being used are of greater quality than earlier, the employee turnover rate has only limited comparability with figures from earlier years.

MUNICH RE >	<b>STRATEGY AND CHALLENGES</b>	MANAGEMENT	SOLUTIONS	COMMITMENT	FACTS AND FIGURES
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## 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	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  Munich Re lives from the trust people place in us. As one of the world's leading insurers, we give our clients the promise that we will always fulfil the obligations we assume under insurance contracts. That is why it has always been our aim to act responsibly and, in this sense, corporate responsibility has been and will remain an integral part of our Group strategy.  Following the "Lehman" crisis, controversies over the stability of national economies and the future of the euro have once again culminated in extensive volatility on the capital markets. Thanks to our risk and investment management's orientation toward sustainable earnings, we are in a good position. By signing the United Nations' Principles for Responsible Investment (PRI) in 2006, we committed ourselves to adhere strictly to those principles. For example, we make at least 80% of our investments in shares and corporate and government bonds that satisfy sustainability criteria. And in the coming years, we intend to invest two-and-a-half billion euros in renewable energies and corresponding new technologies.  In 2011 alone, we have been able to expand our "renewable energies" (wind and solar) portfolio by about 160 megawatts to a total generated output of about 300 million kilowatt hours. This is equivalent to the annual consumption of a small city consisting of about 80,000 households.	CR portal » Statement CEO	Full
1.2	Description of key impacts, risks, and opportunities  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. Two relatively recent examples of this are new concepts for covering performance guarantees offered by manufacturers of wind farms and solar parks and the assumption of the exploration risk entailed in geothermal drilling operations. We are also actively working on formulating globally binding principles for the core business of insurance. Together with other major providers of financial services, we are taking part in the development of internationally recognised Principles for Sustainable Insurance under the auspices of the United Nations' Environment Programme.  We made our commitment to the values we hold dear a matter of public record in 2007 by joining the United Nations Global Compact, the leading international standard for sustainable management. Integrated in our corporate responsibility portal, our annual progress report for the UN Global Compact documents our adherence to the ten principles set forth in this internationally recognised standard.  Nikolaus von Bomhard, Munich Re Chairman of the Board of Management	CR portal » Challenges  Group annual report 2010 (p. 64 ff., 134 ff.) » Download (PDF)	Full
2.0	Organisational profile		
2.1	Name of the organisation		Full

#### Related Topics

» Strategy: Guiding concept and mission

#### Download

» Global Reporting Initiative 2010 - Results of the GRI Report (PDF)

#### External Links

» Global Compact  
» Global Reporting Initiative

#### Actions

» EXPAND ALL  
» COLLAPSE ALL

2.2	<p>Primary brands, products, and/or services</p> <p>In insurance terms, Munich Re brings together what belongs together. 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.</p> <p>Munich Re is one of the world's leading players in the reinsurance industry. The Group's primary insurance operations are mainly concentrated in ERGO, with some 40 million clients in over 30 countries placing their trust in the services and security it provides. In Munich Re's newest business field, Munich Health, the Group draws on the experience it has gained throughout the world in health insurance and reinsurance over a period of more than 20 years. Munich Health represents Munich Re's health expertise and develops cutting-edge solutions for what is one of the industry's fastest-growing markets. Munich Re's business activities cover the whole value chain of insurance and reinsurance, and we are also active in the field of asset management via MEAG, the asset manager of Munich Re and ERGO.</p> <p><b>Munich Re</b> stands for exceptional solution-based expertise, consistent risk management, financial stability and client proximity. Munich Re creates value for clients, shareholders and staff alike. In the financial year 2010, the Group – which pursues an integrated business model consisting of insurance and reinsurance – achieved a profit of €2.4bn on premium income of around €46bn. It operates in all lines of insurance, with around 47,000 employees throughout the world. With premium income of around €24bn from reinsurance alone, it is one of the world's leading reinsurers. Especially when clients require solutions for complex risks, Munich Re is a much sought-after risk carrier. Our primary insurance operations are concentrated mainly in the ERGO Insurance Group. With premium income of over €20bn, ERGO is one of the largest insurance groups in Europe and Germany. It is the market leader in Europe in health and legal protection insurance. More than 40 million clients in over 30 countries place their trust in the services and security it provides. In international healthcare business, Munich Re pools its insurance and reinsurance operations, as well as related services, under the Munich Health brand. Munich Re's global investments amounting to €193bn (Status Dec 31, 2010) are managed by MEAG, which also makes its competence available to private and institutional investors outside the Group.</p>	<p><b>Group annual report 2010</b> Full (Cover text, pp. 48–53) » <a href="#">Download (PDF)</a></p> <p><b>Corporate website</b> (Strategy) » <a href="#">munichre.com</a></p> <p><b>Corporate website</b> (Portrait) » <a href="#">munichre.com</a></p>
2.3	<p>Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures</p> <p>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.</p> <p>Reinsurance business is organised in six divisions (Life; HealthCare; Europe and Latin America; Germany, Asia Pacific and Africa; Special and Financial Risks; Global Clients and North America) and Munich Health.</p> <p>Primary insurance business in Germany is divided into the segments life, health and property-casualty. This is supplemented by international business.</p> <p>MEAG manages Munich Re's assets and offers investment products for private clients and institutional investors.</p>	<p><b>Group annual report 2010</b> Full (pp. 48–53, 269–279) » <a href="#">Download (PDF)</a></p>
2.4	<p>Location of organisation's headquarters</p> <p>Munich, Germany</p>	Full
2.5	<p>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</p> <p>Munich Re (reinsurance) operates worldwide and is represented in Africa, Asia, Australia and New Zealand, Europe, Latin America and North America.</p> <p>The ERGO Insurance Group is represented in over 30 countries worldwide, with the focus on Europe and Asia. Its most important European markets besides Germany are the Baltic States, Italy, Poland and Turkey.</p> <p>Munich Health 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.</p> <p>MEAG is internationally active and operates not only in Germany but also in New York, Hong Kong and Luxembourg.</p>	<p><b>Group annual report 2010</b> Full (rear inside cover) » <a href="#">Download (PDF)</a></p> <p><b>Websites</b> » <a href="#">Munich Re (Reinsurance)</a> » <a href="#">ERGO</a> » <a href="#">Munich Health</a> » <a href="#">MEAG</a></p>
2.6	<p>Nature of ownership and legal form</p>	<p><b>Group annual report 2010</b> Full</p>

Munich Reinsurance Company is a joint-stock company (Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München).

At the end of December 2010, a total of 140,000 shareholders were entered in our share register. The vast majority of shares were held by institutional investors such as banks, insurers or investment companies; around 10.5% were in the hands of private investors. The percentage of international investors was slightly higher than in the previous year (70%). At year-end 2010, a good 72% of the shares were held by foreign investors.

Our largest shareholder at the end of 2010 was Warren E. Buffett, who holds a stake of around 10.2% in Munich Reinsurance Company via several companies in his group (Berkshire Hathaway Inc., OBH Inc., National Indemnity Co.). In second place was asset manager BlackRock with 6.2%. Warren E. Buffett and the aforementioned companies in his group informed us in October 2010 that their investment is geared to generating trading profits, not to implementing strategic objectives. The intention is to acquire further shares within the next 12 months. They do not seek to exert an influence on the composition of Munich Re's management or supervisory boards or to significantly change the Company's capital structure.

(pp. 10, 12)  
» [Download \(PDF\)](#)

**Website** (Shareholder profile)  
» [munichre.com](http://munichre.com)

2.7	Markets served	Full
<p>Munich Re engages in insurance and reinsurance businesses worldwide. It also provides asset management services. The company's reinsurance products include life and health reinsurance, as well as property and casualty reinsurance, which include liability, personal accident, motor, marine, aviation&amp;space, fire, engineering, credit and bonding, and other classes of reinsurance products; and 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. 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. The company was founded in 1880 and is based in Munich, Germany.</p>		
2.8	Scale of the reporting organisation	<b>Group annual report 2010</b> (p. 146 ff.) » <a href="#">Download (PDF)</a>
<p>On 31 December 2010, the number of staff employed by Munich Re (Group) was 46,915. Consolidated result: €2,430m</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 (74.7% of the balance sheet total). Equity (9.7% of the balance sheet total, €23.028bn) and bonds classified as strategic debt (2.2% of the balance sheet total) are the most important sources of funds. (Group annual report 2010, page 100)</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>		
2.9	Significant changes during the reporting period regarding size, structure, or ownership	<b>Group annual report 2010</b> (p. 48) » <a href="#">Download (PDF)</a>
<p>In the reporting period, Munich Re concludes an agreement to acquire Windsor Health Group, Inc. (Windsor), the aim of the planned purchase being to strengthen Munich Health's position in the US market. Windsor Health Plan, Inc. operates government-sponsored health plans and specialty managed healthcare programmes for senior citizens. Furthermore At 30 June 2010, MEAG's assets under management total €204bn, thus exceeding the €200bn mark for the first time. In the first half of 2010 alone, assets under management increase by €11.6bn. Annual Report 2010, page 3</p>		
2.10	Awards received in the reporting period	<b>CR portal</b> » <a href="#">SRI-Indizes und Auszeichnungen</a>
<p>Here is a selection of awards and prizes conferred on Munich Re in the reporting period:</p> <p>We again won the best overall global reinsurer category in the 2010 (biannual) Flaspöhler survey (the main cedant survey) with a rating of 65.7% (second place: 54.2%), including several hundred respondents from 42 countries. This was the third time Munich Re gained the title, having previously won it in 2006 and 2008. Munich Re also won Flaspöhler's "Reinsurer of the Decade 2001–2010" accolade.</p> <p>In addition, Munich Re achieved a variety of good sustainability and socially responsible investment (SRI) ratings, e.g. from Sustainalytics, as well as listings in the relevant indices and funds,</p>		



e.g. the DJSI and FTSE4Good.

MEAG buildings received a Leed Silver Certification in 2010 (Columbia Square, Washington D.C.) and were placed on the list of official partners of the EU GreenBuilding Programme (Maria-Josepha-Straße, Munich; 2010/ Waterfront Building, Stockholm; 2009/ Westgate, Cologne; 2009/ Maximiliansplatz, Munich; 2009/ Sonnencarree, Munich; 2009/ Cologne Oval Offices, Cologne; 2008/). 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 energysaving designs promote sustainable construction.

MEAG's fund "EuroErtrag" is the winner of the "Euro Fund Award" in the category "Mixed Funds (predominately bonds)" among 110 comparable funds. The award was granted as performance acknowledgement for the extraordinary rise in value of "EuroErtrag" in 2009.

### 3.0 Report parameters

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 2010. The editorial deadline was 30 June 2011. Measures taken up to that date in a number of units in 2011 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 2010.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» About CR portal</li> <li>» Corporate responsibility news</li> </ul>	Full
3.2	<p>Date of most recent previous report</p> <p>The last CR Report and together with the CR Portal were launched in October 2010.</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></p> <ul style="list-style-type: none"> <li>» Contact</li> </ul>	Full
3.5	<p>Process for defining report content</p> <p>Our stakeholders' main expectations are the basis for the topics chosen for the corporate responsibility portal. Our stakeholders' core concerns are ascertained by means of regular dialogue and through studies and surveys. 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. Our stakeholders' main expectations are the basis for the topics chosen for the corporate responsibility portal. Our stakeholders' core concerns are ascertained by means of regular dialogue and through studies as well as surveys. The materiality process for this year was conducted with a defined small stakeholder group.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Stakeholder dialogue</li> </ul>	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></p> <ul style="list-style-type: none"> <li>» About CR portal</li> </ul>	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></p> <ul style="list-style-type: none"> <li>» About CR portal</li> </ul>	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 companies in which Munich Re has a controlling interest. The key figures concerning human resources and the environmental sector relate to approximately 65% of Munich Re's employees. All other information presented in the key figures refers to the Group as a whole.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Key figures</li> </ul>	Full
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 our environmental data base and collect data and information relevant to CR Group-wide using a</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Key figures</li> <li>» GRI &amp; Global Compact</li> </ul>	Full

special CR software solution. 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. The new software has increased the proportion of (Group) staff covered from around 45% to 65%. To derive the environmental data for the Group as a whole, all data were extrapolated to 100% of staff. Greenhouse gas emissions were determined on the basis of the greenhouse gas emission protocol.

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 these performance indicators. Environmental footprint figures and Human Resources related figures we report in 2011 may differ from figures reported in 2010 for reporting period 2009. This is due to the implementation of a new database (SoFi) in 2010, eliminating errors in last year's figures and improved data quality.</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 65% of Group employees here as well.</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 is collected in a defined process. A dedicated network of data providers has been set up for this purpose. We are continuously expanding the coverage for the system. 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. Thus, a part of the current report has been reviewed by an external auditor.</p>		Not reported

▼ **Governance, commitments and engagement**

GRI-No./ (GC*)	Performance indicator / Brief answer	Link	Degree of compliance
4.0	<b>Governance, commitments and engagement</b>		
4.1	<p>Governance</p> <p>Munich Reinsurance Company is a joint-stock company ("Aktiengesellschaft") according to 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 our website.</p>	<p><b>Group annual report 2010</b> (pp. 24–28) » Download (PDF)</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 Management.</p>	<p><b>Group annual report 2010</b> (p. 60–63) » Download (PDF)</p>	Full
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.</p>		Not relevant
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. As the first of all DAX-30-businesses Munich Re offered their shareholders and clients via live-stream the possibility for online-participation at the annual</p>	<p><b>Website</b> (Investor &amp; Rating Agency Relations) » munichre.com</p>	Full

meeting as well as postal vote for shareholders. Thus our shareholders and clients could benefit from this recent decision of the legal authority to make their vote concerning topics of the agenda of the Annual Meeting without being necessarily present.

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 latter including sustainable criteria. Readers are referred to our detailed remuneration report for further information on Munich Re's remuneration systems.</p>	<p><b>Group annual report 2010</b> (p. 28 ff.) » <a href="#">Download (PDF)</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="#">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 candidates must fulfil. The indispensable personal criteria include a commitment to Munich Re's aim for long-term and sustained increase in value. The Supervisory Board's Personnel Committee has comparable criteria and 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 field of corporate social responsibility is within the area of responsibility of the Chairman of the Board of Management.</p>	<p><b>Group annual report 2010</b> (p. 24 ff.) » <a href="#">Download (PDF)</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 our business model as a global insurance group to adopt a forward-looking and responsible approach throughout our organisation. This understanding is set out in our guiding principles for corporate responsibility, which were adopted by the reinsurance group in 2006 and by ERGO in 2008 and in which we acknowledge our economic, ecological and social responsibility.</p> <p>It is an integral part of our business model as a global insurance group to adopt a forward-looking and responsible approach throughout our organisation. This understanding is set out in our guiding principles for corporate responsibility, which were adopted by the reinsurance group in 2006 and by ERGO in 2008 and in which we acknowledge our economic, ecological and social responsibility. Our objective is to create responsible and sustainable value. That justifies and inspires the confidence of our investors, clients and employees – and of the public in general. Our actions are governed by national and international codes and standards. The » <b>codes of conduct</b> introduced at Munich Reinsurance Company in 2006, the reinsurance group and MEAG in 2007, and ERGO in 2008 set 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 towards the public, our business partners and ourselves. Each of these codes is a basis for the observance of further » <b>compliance rules</b> within all Munich Re units. We want our staff to be familiar with the relevant content, and we also expect every manager and decision-maker to ensure that these rules and guidelines are complied with. Environmental protection is also part of the codes of conduct. Furthermore, a special code of conduct for the sales agents of ERGO will be implemented in the course of 2011 as part of their employment contract. Our codes of conduct cover the entire reinsurance group and about 98% of ERGO employees.</p> <p>Beyond this, the Munich Re Group acts in accordance with the ten</p>	<p><b>Corporate website</b> (Code of Conduct) » <a href="#">munichre.com</a></p> <p><b>ERGO website</b> (Code of Conduct) » <a href="#">ergo.com</a></p> <p><b>CR portal</b> » <a href="#">Mission</a> » <a href="#">Compliance</a></p>	Full

principles laid down in the United Nations » [Global Compact](#), of which we became a signatory in September 2007.

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:

1. Munich Re actively also integrates ESG aspects into (re)insurance and asset management.

Actual activity implemented: In 2005, this requirement was set out in our Group-wide General Investment Guidelines (GIG) and extended to include government bonds. The Investments have to meet the "Sustainability-Principle" meaning that for this reason at least 80% of the investments of each business segment in shares, corporate, government and covered bonds should be invested in assets that are members in one of the established sustainability indices or meet other accepted sustainability criteria.

We are also actively working on formulating globally binding principles for the core business of insurance. Together with other major providers of financial services, we are taking part in the development of internationally recognised "Principles for Sustainable Insurance" under the auspices of the United Nations' Environment Programme.

Also, as of 2011 a new policy regarding the acquisition of new buildings was adopted taking into account sustainability criteria and green certification.

2. Munich Re conducts active environmental management at its business sites and strives for carbon neutrality:

Actual activity implemented: Our Group-wide strategy is to reduce global CO<sub>2</sub> by 10% per employee by 2015 and furthermore become carbon neutral. The activity of Munich Re Munich is already carbon neutral since 2009.

3. Munich Re assumes its responsibility as corporate citizen in areas close to its core business and in the area of culture and social need at its local operations: In March 2011 the Board approved a new Corporate Citizenship Strategy.

To position ourselves more strategically and create a framework for our international social commitment, we have designed this 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 youth and school projects, with a strong focus on the promotion of educational and children's projects in the field of music. Health and prevention topics will be given precedence by Munich Health.

4.9

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

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. As of 2011 an annual evaluation report on Corporate Responsibility is submitted to the Board of Management.

The Board of Management requires reports on sustained value creation from various other units, for instance from Integrated Risk Management (whose responsibilities include emerging risks) or the new established Emerging Risks Think Tank. Furthermore, Group Development has conducted an extensive trend assessment, the results of which have been presented to the Board of Management. Identifying trends and risks that are relevant for sustainable corporate development is a central component of Munich Re's business model.

The Supervisory Board monitors Munich Re's management and pays particular attention to the long-term increase in corporate value.

The Audit Committee (one of five committees set up by the Supervisory Board of Munich Reinsurance Company) obtains

**Group annual report 2010**  
(pp. 17–21)

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**CR portal**

» [Strategy & challenges](#)

» [Corporate governance](#)

Full



	reports several times a year on the risk situation. The Chief Risk Officer presents these reports to the Audit Committee. The Chief Compliance Officer and Head of Group Audit regularly report to the Audit Committee.		
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 a long-term increase in value. Since our remuneration system is strongly geared to sustained increase in value, the Board of Management's objectives and performance appraisal in terms of fulfilling these objectives determines the amount of remuneration paid to each Board member.</p>	<p><b>Group annual report 2010</b> (p. 24 ff.) » <a href="#">Download (PDF)</a></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. The risk strategy is determined by setting a risk appetite defined by a series of risk limits. The risk appetite is based on the capital and liquidity available and on earnings volatility, and it provides a term of reference for the Group's operating divisions. The risk appetite laid down ensures that an appropriate balance is maintained between business opportunities and risks incurred.</p>	<p><b>Group annual report 2010</b> (p. 116 ff.) » <a href="#">Download (PDF)</a></p> <p><b>CR portal</b> » <a href="#">Risik management</a></p> <p><b>Website</b> (Risik management) » <a href="#">munichre.com</a></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.</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. Since 2011, Munich Re is chairing the UN PRI Board. As a chair of the UNEP FI Insurance Commission, we work for greater consideration of ecological, social and governance (ESG) factors in the insurance industry. With the Principles for Sustainable Insurance (PSI)-Working Group we are actively promoting and supporting the efforts to establish a common framework.</p> <p>With our knowledge of risk, we aim to help heighten awareness among politicians and the general public regarding challenges such as climate change and thus initiate necessary measures to mitigate its consequences. The following are specific examples of some of the initiatives and partnerships we have launched or supported financially and/or contributed content to: Desertec Industrial Initiative, Munich Climate Insurance Initiative (MCII), the Global Earthquake Model. As a signatory to the German Charter of Diversity (Charta der Vielfalt), ERGO also endeavours to set an example in fairness and mutual respect within companies. In addition, Munich Re's companies have made national commitments.</p>	<p><b>CR portal</b> » <a href="#">Memberships and cooperations</a> » <a href="#">Principles for Responsible Investment</a></p>	Full
4.13	<p>Memberships in associations and/or national/international advocacy organisations</p> <p>Munich Re is represented in and actively contributes to numerous associations, interest groups and organisations. These include among others for example the German Insurance Association (GDV), the German Insurance Employers' Association, UNEP FI Insurance Commission and Climate Working Group, PRI Principles for Responsible Investment, Global Earthquake Model (GEM), World Economic Forum Geneva, Stifterverband für die deutsche Wissenschaft: Innovation Agency for the german science system of the german business community, International Insurance Society, German Industry Union (BDI), Carbon Disclosure Projeet, 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> » <a href="#">Memberships and cooperations</a></p>	Full
4.14	<p>List of stakeholder groups engaged by the organisation</p> <p>The main Munich Re stakeholder groups: 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> » <a href="#">Stakeholder dialogue</a></p>	Full
4.15	<p>Basis for identification and selection of stakeholders with whom to engage</p>	<p><b>CR portal</b> » <a href="#">Stakeholder dialogue</a></p>	Full



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. Responsibility for stakeholder engagement is decentralized: Investor Relations (investors and analysts, rating agencies); Group Development – Corporate Responsibility (society, SRI contacts); Group Communications (NGO's, press relations); Human Resources (talent attraction, employee satisfaction); Business units (customers)

4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group **CR portal** Full  
» Stakeholder dialogue

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.

Responsibility for stakeholder engagement therefore is decentralized and allocated guaranteeing a frequent in-depth-engagement: Investor Relations (investors and analysts, rating agencies); Group Development – Corporate Responsibility (society, SRI contacts, academia); Group Communications (NGO's, media relations); Human Resources (employees, universities); Business units (customers).

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, shareholders and future ones.

The main task of Investor Relations at Munich Re for instance 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, achieving 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.

Enquiries reaching us via our shareholder hotline or by e-mail are answered promptly by our team. Additionally, the service pages of our shareholder portal on the internet provide our registered shareholders with a wide range of information and communication facilities. The portal gives them the comfortable option – anywhere, any time – of managing their registered shareholder data, registering for the AGM or ordering documents electronically.

Our 123rd Annual General Meeting was held at the ICM – International Congress Centre – in Munich on 28 April 2010. Munich Re was the first DAX 30 company to offer online participation at its AGM and a postal vote. This enabled our shareholders to take advantage of these options recently introduced by German legislation when casting their votes on the agenda items.

Munich Re approaches for example its clients, one of the most important stakeholder groups, by using a variety of measures: Numerous client seminars are conducted annually in Munich and in the International Organisation, guaranteeing an exchange of knowledge across all lines of business between the Group and its clients. Training programmes for clients also contribute to the continuous dialogue. Beyond this, Munich Re offers two three-month scholarship programmes – the Horst K. Jannott Scholarship and the Alois Alzheimer Scholarship. Both are aimed at future managers at insurers worldwide and provide them with an in-depth insight into reinsurance business. The regularity of the programmes has now produced a significant alumni circle of some 600 people.

Contact with clients is also generated by traditional marketing and Public Relations work, e.g. using information brochures and adverts on a regular basis. Munich Re additionally offers individual consultancy services, for example in the claims management area, and clients benefit from the use of a special portal (connect.munichre) where forms, tools and business-related information can be accessed. The continuous interaction provided by meetings, video and telephone conferences, e-mails and workshops also supports stakeholder dialogue.

Employees for example are regularly kept up to date through detailed online information posted on the intranet ("go ahead") and potential new staff and university graduates are kept informed and their opinions sought through online surveys, direct contact and working groups.

4.17 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 **CR portal** Full  
» Stakeholder dialogue

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 by Munich Re. 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 climate change, which is addressed on our website and in various publications (e.g. key focus: climate change).

▼ 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 into value – that is what Munich Re has been doing successfully for around 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. Only as a group can we create added value in the form of risk diversification and greater security. The synergy effects and diversification benefits of this business model enable us to approach risks holistically and develop the solutions that best fit each client's individual risk situation. The main drivers of our action are our business model and our conviction that change always brings opportunities.</p> <p>Munich Re's objective is to analyse risks from every conceivable angle and to assess and diversify them, thereby creating lasting value for shareholders, clients and staff. A guiding principle of our entrepreneurial thinking and activity is to increase Munich Re's shareholder value on a sustained basis.</p> <p>The financial year 2010 was marked by numerous natural catastrophes and other major losses. With our broad range of products in primary insurance and reinsurance, we helped to cushion at least the financial consequences of such events for those affected and nevertheless achieved a good result for the financial year 2010. This success is founded on the consistent implementation of our strategy geared to creating sustainable value. At its centre are our value-based management, our rigorously practiced integrated risk management, covering both sides of the balance sheet, and our outstanding risk knowledge. This business approach makes us an attractive, dependable and reliable partner for our clients and adds value for our investors.</p>	<p><b>Group annual report 2010</b> (p. 13 ff.) » <a href="#">Download (PDF)</a></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 2010</b> The Group recorded a good operating result of €3,978m (2009: 4,721m), €611m of this in the fourth quarter. Despite the high dividend payout and share buy-backs, Group equity increased to €23.0bn (31 December 2009: €22.3bn). Return on risk-adjusted capital after tax (RORAC) amounted to 13.5% for 2010, and return on equity (RoE) to 10.4%. Gross premiums written rose significantly by almost 10% to €45.5bn (2009: 41.4bn). If exchange rates had remained the same, premium volume would have grown by 5.1% compared with the previous year.</p> <p><b>Reinsurance</b> In 2010, Munich Re's reinsurance business was impacted by high claims costs for major losses. At €2,228m (2009: €1,157m), the total burden from major losses was higher than the projected amount and the multi-year average, with 11.0 percentage points of the combined ratio attributable to natural catastrophes. The consolidated result declined by 18.5% to €2.1bn (2009: €2.6bn). Our investment result was good at €3,436m (2009: €3,796m), mainly owing to gains on the disposal of investments. Our operating result for reinsurance, which includes the investment result, decreased by 28.2% to €2.9bn (4.1bn). The technical result totalled €1.3bn (1.9bn) (please see Group annual report, page 76).</p> <p><b>Primary insurance</b> In the financial year 2010 overall, premium volume across all lines of business totalled €19.2bn (18.2bn), representing an increase of 5.4%. Expansion was particularly prominent in international business, reflecting organic growth and favourable trends in exchange rates in important markets. Although the premium volume in primary insurance largely stems from the eurozone, income was still positively influenced by changes in exchange rates, above all the Polish zloty. At €14.5bn (14.0bn), overall premium income from Germany was up 3.6% on the previous year. Gross premiums written in 2010 totalled €17.5bn (16.6bn). Unlike overall premium income, gross premiums written do not include the savings premiums of €1.7bn (1.6bn) from unit-linked life insurance and capitalisation products. ERGO's premium growth is</p>	<p><b>Group annual report 2010</b> (See cover page, p. 80 f., p. 227 ff.) » <a href="#">Download (PDF)</a></p>	Full

especially pleasing in view of the brand changeover in Germany, where our sales forces have done an excellent job (please see Group annual report, page 89).

#### Personnel expenses

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 257):

Breakdown of personnel expenses in 2010

Wages and salaries: €2,534m

Social security contributions and employee assistance: €472m

Expenses for employees' pensions: €208m

Total: €3,214m

#### Donations and social investment

Our understanding of social responsibility includes active promotion of science and supporting cultural and social projects at our various office locations, with Munich Re Group companies getting involved in many different areas, both locally and globally. This is because, to us, corporate responsibility means active responsibility towards our employees, the environment and the communities in which we live and work. In addition, the projects and activities of the three foundations of Munich Re (Munich Re Foundation, Dr. Hans Jürgen Schinzler-Stiftung and ERGO Foundation "Youth&Future") show how we can provide active support and deliver effective solutions for global, social and scientific challenges.

EC2  
(7)

Financial implications and other risks and opportunities for the organisation's activities due to climate change

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.

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.

In the short to medium term, climate change is more of a business opportunity than a menace for a global reinsurer like Munich Re, because (re)insurance demand is likely to rise as the natural hazard threat increases. However, if climate change cannot be halted, this could ultimately have an adverse effect on our business. Insurance can only function if the premium is in line with the risk. Once a certain premium threshold is crossed, demand for insurance or the insurability of the risk falls. Yet climate change could have financial consequences for all lines of business. The most obvious of these may be property and casualty, but life and health could also be affected. For example, rising temperatures may favour the spread of vector-borne diseases, which in turn will impact life and health covers. Furthermore, recent attempts to file a climate-warming lawsuit against alleged polluters show that liability covers may be affected as well. Liability insurers could also be faced with actions brought against managers and other professionals alleging breach of one of a growing number of climate change regulations or failure to exercise due care in respect of climate change. For instance, as well as causing agricultural and forestry losses of US\$ 10bn, the heat wave that hit Europe in 2003 resulted in nearly 70,000 premature deaths, and affected several lines of business. Global warming is expected to cause an increase in exceptional weather phenomena like Europe's 2003 heat wave.

There are many indications that climate change is partly responsible for a rise in severe weather-related natural disasters such as storms, floods and temperature extremes. Changing weather patterns translate into shifting probability distributions of weather-related losses: this has direct impact on our core business. According to data gathered by Munich Re, the number of major weather-related natural catastrophes has tripled since 1950: aggregate economic losses caused by weather-related natural catastrophes since 1980 have now reached US\$1,600bn. The average annual increase in nominal insured losses is in the order of 11%. The rise is mainly due to results of socio-economic factors (e.g. wealth accumulation, increasing insurance penetration), but is also driven by climate change. We see the potential impact of the physical risk today and in more than ten years. Quantification is impossible at this point in time and any data provided would be unreliable.

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 potential for Munich Re. Our insurance products are customer-tailored and differ widely according to the client's needs and the specific risk. Climate

#### CR portal

- » Insurance solutions for renewable energies
- » Power from the desert
- » Project RENT
- » Climate change
- » Solutions

#### Group annual report 2010

(p. 134 ff.)

- » Download (PDF)

#### Website (Climate change)

- » [munichre.com](http://munichre.com)

Full

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.

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 2010</b> (p. 175) » <a href="#">Download (PDF)</a></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>Munich Re salaries are substantially above the local minimum wage level.</p>		Partial
EC6	<p>Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation</p> <p>Munich Re set up a central procurement unit in 2008, its remit being to progressively establish a global procurement network covering the reinsurance group as a whole.</p> <p>As our core business has separate business lines (reinsurance and primary insurance), we have also 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.</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 in the following years. Adherence to the highest ethical and environmental standards is axiomatic for Munich Re and is clearly stipulated in our Code of Conduct. CP is responsible for preparing, updating and ensuring compliance with all purchasing rules, guidelines and processes across the Munich Re reinsurance group. CP also defines a procurement and supplier strategy for each commodity group in cooperation with requisitioners. CP is committed to environmental protection and sustainability. 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's 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, but will be implemented further through a graduated scheme. At present, 40% of the reinsurance procurement volume of Munich Re in Munich is covered, the target being to reach 60% within the next three years. In 2010, 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 anticorruption that are laid down in German legislation.</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 becoming 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</p>	<p><b>CR portal</b> » <a href="#">Training and development</a></p>	Full



specific market and most therefore are recruited locally. Beyond this, most members of our Board of Management started their career within Munich Re. Tasks in our international organisation are advertised on our global intranet and we operate a talent development programme under which specialist and management staff at all levels are temporarily seconded to Munich Re offices in other countries. The proportion of senior management hired from the local community at locations of significant operation is not tracked in our reporting system.

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><b>Group annual report 2010</b> Full (p. 109 f.) » <a href="#">Download (PDF)</a></p>
	<p>Thoroughly understanding risks – that is the basis of Munich Re's business model. This requires, in particular, constantly analysing known risks for significant changes in their structure or occurrence probability and identifying new risks at an early stage.</p>	<p><b>CR portal</b> » <a href="#">Insurance solutions for renewable energies</a></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, e.g. 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. The following are examples of concrete activities in this area:</p>	
	<ol style="list-style-type: none"> <li>1. In 2007 and also in 2008, we launched various microinsurance projects in South America (Colombia) and a non-life cooperation in Indonesia together with GTZ (German Agency for Technical Cooperation). In 2010, on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), Munich Re and GTZ collaborated with the Philippine cooperative insurance company Coop Life Insurance &amp; Mutual Benefit Services (CLIMBS) in developing 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.</li> <li>2. 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 9 to 11 November 2010 in Manila, Philippines; next conference scheduled for 8 to 10 November 2011 in Rio de Janeiro, Brazil). The foundation has also published the Microinsurance Compendium in several languages. This book allows readers to benefit from the valuable lessons learned from a project launched by the CGAP (Consultative Group to Assist the Poor) Working Group on Microinsurance, analysing operations around the world: » <a href="http://www.microinsurancecompendium.org">www.microinsurancecompendium.org</a>.</li> <li>3. Munich Re is also initiator and founding member of the Munich Climate Insurance Initiative (MCII), which was launched in April 2005 in response to the growing realisation that insurance-related solutions can play a role in adaptation to climate change, as advocated in the Framework Convention and the Kyoto Protocol. This initiative brings together insurers, experts on climate change and adaptation, NGOs, and policy researchers intent on finding solutions to the risks posed by climate change. MCII provides a forum and gathering point for insurance-related expertise on climate change impact issues. For further information please refer to » <a href="http://www.climate-insurance.org/front_content.php">http://www.climate-insurance.org/front_content.php</a></li> <li>4. ERGO, our primary insurance, also considers microinsurance an important area of growth in combination with public benefits, being convinced that offering such products to the poor and/or economically disadvantaged is an act of corporate social responsibility and a strategic topic for the future. Therefore microinsurance activities are part of ERGO's expansion into Asia. ERGO's Indian insurance joint venture (HDFC ERGO) is already offering health, personal accident, tractor, cattle and weather insurance in rural areas. To understand the needs and requirements of the rural population and to develop and provide suitable products, HDFC ERGO has formed a dedicated rural and agricultural business group. To widen the scope, HDFC ERGO is actively tying up with different microfinance institutions, NGOs and cooperative banks in rural areas. Even today HDFC ERGO far exceeds the rural quota obligations set by the local regulator IRDA (the company has achieved 10.56% of the rural premium covering 53,098 lives, as compared with the stipulated 6% and 35,000 lives set by IRDA for the rural and social sector). Furthermore, together with the foundation Tierra Nueva, the Spanish company DKV Seguros is involved with a microinsurance project in Ecuador, which includes setting up basic medical cover in the south of Quito. The foundation provides low-budget health insurance with</li> </ol>	



the support of DKV Seguros.

5. The corporate volunteering (and so to say pro bono projects of Munich Re) activities furthered and financed by the Schinzler Foundation and voluntary work by our employees are another pillar of our social commitment. The Dr. Hans-Jürgen Schinzler Foundation was set up to facilitate voluntary work carried out worldwide by Munich Re (reinsurance) staff in a wide range of fields, including culture, healthcare, the environment, charity work and the academic world. Most of the projects sponsored by the foundation are designed to help children and young people.

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 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. At insurance and reinsurance level, Munich Re has been involved in renewable energies for many years. At the end of 2010, this know-how was put to effective use in the field of investment, with Munich Re investing in a wind park portfolio as part of the RENT initiative. This portfolio includes 40 wind turbines in 11 wind parks in northeastern Germany with a combined output of some 150 million kWh. The wind parks generate enough electricity to power 42,000 households with an annual consumption of 3,500 kWh per household. Producing electricity at such wind parks saves up to 97,000 tonnes of CO2 compared with generation at conventional power plants.</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, at group level by 2015.</p> <p>For more information, please follow the link as we describe the following » <b>challenges</b> 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
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▼ 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 UN Global Compact, of course, 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 goal in accordance with the highest technical standards wherever economically feasible.</p> <p>Munich Re (Reinsurance) in Munich, ERGO in Germany and D.A.S. in the UK have applied a systematic approach to our aim of keeping our impact on the environment to an absolute minimum, by implementing environmental management systems certified to ISO 14001 at five sites.</p> <p>Munich Re's new Corporate Responsibility Database increases our (Group) staff coverage from 45% to 65%. 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.</p> <p>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. In addition, we will calculate total emissions for the reinsurance group more precisely thanks to the enhanced, broader-based systems used to capture the consumption data. The carbon-neutrality experience gained from our reinsurance operations is used for our global carbon-neutrality</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

strategy.

Through our new mission statement (originating from our triple bottom-line approach refined in 2010 and approved by our Board of Management in 2011), we acknowledge the importance of environmental protection and describe/specify our goal (see link). This serves as our basic understanding and has been included in a comprehensive Corporate Responsibility/Environmental Management System (EMS) Group-wide strategy approved by the Board of Management in 2011.

Our Group-wide strategy and target by 2015 is for the whole Munich Re Group to reduce the CO<sub>2</sub>e emission by 10% per employee by 2015 (by means of our EMS and based on the emission facts of 2009 per employee) and furthermore to become carbon-neutral.

EN1 (8)	<p>Materials used by weight or volume</p> <p>We consumed 1,405 tonnes of paper in 2010</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Operational ecology</li> <li>» Environmental indicators</li> </ul>	Full
EN2 (8, 9)	<p>Percentage of materials used that are recycled input materials</p> <p>65.3% paper consumed in 2010 was recycled.</p>		Full
EN3 (8)	<p>Direct energy consumption by primary source</p> <p>We consumed 1,039,100 gigajoules of direct energy in 2010 (mainly heating oil, gas, and diesel for back-up generators), including 6,055.2 gigajoules from renewable energy sources.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Climate protection</li> <li>» Operational ecology</li> <li>» Environmental indicators</li> </ul>	Partial
EN4 (8)	<p>Indirect energy consumption by primary source</p> <p>We consumed 1,147,300 gigajoules of indirect energy in 2010 (mainly electricity and district heating), including 143,370 gigajoules from renewable energy sources.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Climate protection</li> <li>» Operational ecology</li> <li>» Environmental indicators</li> </ul>	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>Munich Reinsurance America (Munich Re) and SunPower Corp. (NASDAQ: SPWRA, SPWRB) announced that SunPower will design and build a 2.5-MW solar power system at Munich Re's Plainsboro, N.J. facility. SunPower will install its high-efficiency solar panels on a carport structure that will provide shade for the facility's parking lot while reducing annual electricity costs by almost \$500,000. Most importantly, the Munich Re solar energy system will benefit the environment with an annual carbon footprint reduction equivalent to removing more than 400 cars from the road, according to estimates provided by the U.S. Environmental Protection Agency.</p> <p>At our Munich Re America premises, a technical innovation switch from regular to flat panel PC monitors helps economise on electricity. Also, employees there are instructed to shut down their PCs after regular business hours.</p> <p>Additionally, Munich Re also considers green building standards in its real estate management/investment: e.g. MEAG buildings received a Leed Silver Certification in 2010 (Columbia Square, Washington D.C.) and were placed on the list of official partners of the EU GreenBuilding Programme (Waterfront Building, Stockholm; 2009/ Maria-Josepha-Straße, Munich; 2010/ Cologne Oval Offices, Cologne; 2008/ Westgate, Cologne; 2009/ Maximiliansplatz, Munich; 2009/ Sonnencarree, Munich; 2009). 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 energysaving designs promote sustainable construction.</p> <p>The measure package for the Carbon reduction includes among others investing in ERGO's buildings as well as in solar projects. Furthermore, carbon reduction relating to business trips is planned as well as a consistent approach within the company's car policy and car usage. In addition, the measures include an acquisition of eco electricity as well as investments in emission certificates. Other examples to reduce energy emission are: Project CO2-Services (including online services for energy and CO2 savings, possible contents would be energy saving tips, green electricity calculator, carbon footprint CO2 calculator, an own climate internet homepage), moreover projects for energy reduction (e.g. solar projects at own buildings). In the framework of the Beacon projects and following the bundling of CR responsibilities within a special ERGO-unit, the CR Portal will be enhanced by Environmental information and reporting, complementing the already published Environmental Policy.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Climate protection</li> <li>» Operational ecology</li> <li>» Environmental indicators</li> </ul>	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</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Project RENT</li> <li>» Insurance solutions for renewable energies</li> <li>» Eco-friendly insurance solutions</li> <li>» Investment strategies for</li> </ul>	Full

well as integrated solutions.

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.

In 2009, our reinsurance group and MEAG set up the 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. We are particularly interested in the efficiency and energy-saving aspects and, as of 1 January 2011, we took the initial step of acquiring 100% of the voting shares in 11 wind park companies for a provisional purchase price of around €40m. The wind parks generate enough electricity to power 42,000 households with an annual consumption of 3,500 kWh. Producing electricity at such wind parks saves up to 97,000 tonnes of CO<sup>2</sup> compared with generation at conventional power plants.

Other projects are to be evaluated. Total investment under RENT within the next ten years is projected at up to €2.5bn.

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.

responsible investments  
» Climate protection

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 video conferences where possible. Our staff in Munich and Düsseldorf can purchase public transport season tickets at special rates and our staff canteens use products grown within a 200-km radius whenever 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> » Climate protection » Operational ecology</p>	Partial
EN8 (8)	<p>Total water withdrawal by source</p> <p>Total water withdrawal by source: 828,217.17 m<sub>3</sub> Rain water: 12,254.58 m<sub>3</sub> Natural water: 2,918.68 m<sub>3</sub> Tap water: 813,043.92 m<sub>3</sub></p>	<p><b>CR portal</b> » Operational ecology » 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>No Group-wide data are available for this indicator due to its limited relevance for companies in the insurance sector. Toilets at our offices in Munich are flushed with rainwater.</p>		Partial
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 (PDF, 121 KB)</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</p>	<p><b>Download</b> » CDP 2011 Munich Re (PDF, 121 KB)</p>	Not relevant

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.

EN13 (8)	Habitats protected or restored  No data are available for this indicator due to its limited relevance for companies in the insurance sector.		Not relevant
EN14 (8)	Strategies, current actions, and future plans for managing impacts on biodiversity  Munich Re does not have Group-wide strategies in this respect.		Not relevant
EN15 (8)	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk  No data are available for this indicator due to its limited relevance for companies in the insurance sector.		Not relevant
EN16 (8)	Total direct and indirect greenhouse gas emissions by weight  Our total direct and indirect greenhouse gas emissions came to 216,587,686 kg CO <sub>2</sub> e (primary energy consumption, electricity, district heating and company cars/vehicle fleet) in 2010.	<b>CR portal</b> » Climate protection » Environmental indicators	Full
EN17 (8)	Other relevant indirect greenhouse gas emissions by weight  Other relevant indirect greenhouse gas emissions totalled 30,022,073 kg CO <sub>2</sub> e (from paper and water consumption, waste, travel) in 2010.	<b>CR portal</b> » Environmental indicators	Full
EN18 (7–9)	Initiatives to reduce greenhouse gas emissions and reductions achieved  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. 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. To this end, we are pursuing a twofold strategy: 1. To increase energy efficiency and to purchase green electricity rather than a conventional energy mix. 2. To make up for inevitable emissions through the purchase and/or retirement of emission credits.	<b>CR portal</b> » Climate protection » Environmental indicators	Partial
EN19 (8)	Emissions of ozone-depleting substances by weight  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).		Not relevant
EN20 (8)	NO, SO, and other significant air emissions by type and weight  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.		Not relevant
EN21 (8)	Total water discharge by quality and destination  No Group-wide data records are available. We estimate our total water discharge from our water intake to be in the order of 828,217 cubic metres in 2010. It is discharged into the public sewerage systems.		Partial
EN22 (8)	Total weight of waste by type and disposal method  We produced 14,329 tonnes of waste in 2010. The breakdown by type and disposal method is as follows:	<b>CR portal</b> » Climate protection » Environmental indicators	Full
	<b>Total weight of waste</b> 14,329.13 t(metric)		
	Recycled (valuable) materials 10,015.65 t(metric)		
	Hazardous 34.48 t(metric)		
	Non-hazardous 9,981.17 t(metric)		
	Waste incinerated 1,803.78 t(metric)		
	Hazardous 1.40 t(metric)		
	Non-hazardous 1,802.38 t(metric)		



	Waste to landfill	1,101.85	t(metric)	
	Hazardous	0.00	t(metric)	
	Non-hazardous	1,101.85	t(metric)	
	Special waste treatment	146.50	t(metric)	
	Hazardous	7.44	t(metric)	
	Non-hazardous	139.05	t(metric)	
	Other waste, not specified	40.43	t(metric)	
	Organic waste	1,220.93	t(metric)	
EN23 (8)	Total number and volume of significant spills			Full
	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.			
EN24 (8)	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally			Not relevant
	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			Full
	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.			
EN26 (7-9)	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation			Full
	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 emissions 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. in 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 a geothermal energy project in Taufkirchen, near Munich. 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).			
EN27 (8, 9)	Percentage of products sold and their packaging materials that are reclaimed by category			Not relevant
	No data are available as this does not apply to companies in the insurance sector.			
EN28 (8)	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations			Not answered
	This does not apply to companies in the insurance sector as we do not have production sites but office buildings.			
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			Partial
	Business travel totalled 339,911,177 km in 2010. 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			
			<b>CR portal</b> » Insurance solutions for renewable energies » Eco-friendly insurance solutions » Investment strategies for responsible investments » Climate change » Power from the desert	
			<b>CR portal</b> » Environmental indicators	



the form of telephone and video conferences to avoid business travel. Speaking of financial goods, Munich Re invests large sums of money to achieve its climate neutrality. See also examples of EN 7.

EN30 (7-9)	Total environmental protection expenditures and investments by type  This is difficult to quantify, as it is not possible to give a breakdown of expenditure and investments solely on the basis of environmental protection. For example, environmental management systems and renovation, as well as services for maintenance work on buildings are conducted under regular maintenance measures and budget therefore is not separately disclosed. Some additional costs arise in connection with green electricity and the purchase of emission credits. During the reporting period, Munich Re's reinsurance group invested approximately €60m in solar and €130m in wind projects, while ERGO invested €60m in wind projects in Germany. Speaking of financial goods, Munich Re invests large sums of money to achieve its climate neutrality.	<b>CR portal</b> » Project RENT	Partial
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▼ Social performance indicators

GRI-No./ (GC*)	Performance indicator / Brief answer	Link	Degree of compliance
	<b>Labour practices and decent work performance indicators</b> Unless otherwise stated, the figures given in the following tables cover 57% (excluding ERGO field staff) or 66% (including ERGO field staff) of Munich Re Group staff globally (proportion of staff captured by indicator). Staff working in Munich Health, the business field set up on 1 May 2009, are included in the figure for reinsurance. Further details are available under » Employee indicators in the "Facts and figures" section.		
LA (1, 3, 6)	Management approach  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. 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 workforceplanning, 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.  In 2010, the Board of Management has 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.	<b>CR portal</b> » Responsibility towards staff	Full
LA1	Total workforce by employment type, employment contract and region  As at 31 December 2010, Munich Re employed a total of 46,915 staff, 15,269 of these in reinsurance (including Munich Health staff), 30,887 in primary insurance and 759 in asset management. <b>Staff by employment contract at offices in Germany in 2010:</b> Staff members with temporary employment contracts: 2.16% (246 employees) Staff members with open-ended employment contracts: 97.84% (11,124)  <b>Munich Re staff by employment type:</b> In 2010, 15% (7,037 employees) of our staff were part-time.  <b>Distribution of reinsurance staff by region (2010):</b> Germany: 32.9% (3,741 employees) Rest of Europe: 9.2% (1,046) North America: 50% (5,685) Latin America: 1.2% (136) Asia and Australasia: 4.9% (557) Africa, Near and Middle East: 1.8% (205)  <b>Distribution of ERGO staff by region (2010):</b> Germany: 64.5% (19,921 employees) Rest of Europe: 33.1% (10,222) Asia and Australasia: 2.3% (720) North America: 0.1% (24)  <b>Distribution of Munich Health staff by region (2010):</b> Germany: 2.9% (113 employees) Rest of Europe: 60.9% (2374)	<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

North America: 30.1% (1174)  
 Asia and Australasia: 0.7% (27)  
 Africa, Near and Middle East: 5.4% (211)

**Distribution of MEAG staff by region (2010):**

Germany: 99.6% (756 employees)  
 Asia and Australasia: 0.4% (3 employees)

Numbers according to the Group annual report – coverage here 100%

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 2010 due largely to international acquisitions in the reinsurance group, for example of Windsor Health Group Inc., USA.</p> <p>The weighted average turnover rate was 7.44% in 2010.</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>	<p><b>CR portal</b>          » Responsibility towards staff          » Employee indicators</p>	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>	<p><b>CR portal</b>          » Work-life balance</p>	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 make any record of an employee's union membership. 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 declare 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> <p>ERGO currently offers its employees in Germany an employment guarantee until the end of 2012. Moreover, there are measures that maintain the contractual relationship should an employee be affected by the cutting of his/her job (e.g. another position at the same location). Beyond this, the collective agreement ensures periods of notice that exceed the statutory periods.</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. Every company has its own health and safety committee with joint management/employee representation.</p>	<p><b>CR portal</b>          » Health at the workplace</p>	Partial
LA7 (1)	<p>Rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities by region</p> <p>In 2010, the level of sick leave throughout Munich Re was 4.29%.</p> <p>The number of occupational accidents is not recorded centrally. As a financial services provider, our exposure to occupational accidents and</p>	<p><b>CR portal</b>          » Health at the workplace          » Employee indicators</p>	Partial

work-related fatalities is very small.

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. Health seminars are organised for ERGO staff during working hours.</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. New reinsurance employees in Munich attend two-day introductory courses, which also give information on health issues. 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 Services) offers life counselling, stress management and conflict-solving. Our workplace furniture meets the highest ergonomic standards.</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	<p>Average hours of training per year per employee by employee category.</p> <p>In 2010, the average number of days' training per employee for Munich Re Group was 3.36 (3,52 in 2009).</p> <p>Sectors</p> <p>Reinsurance: 3.37 (3.58 in 2009)</p> <p>Primary Insurance: 3.46 (3.58 in 2009)</p> <p>MEAG: 1.33 (1.66 in 2009)</p> <p>The average hours per employee category are not tracked in our reporting system.</p>	<p><b>CR portal</b> » Training and development » Employee indicators</p>	Full
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>Reinsurance: Human Resources in Munich launched an international talent management system in 2008, and promotion prospects have been further enhanced to ensure we can count on an excellent pool of talent and maintain our policy of recruiting many of our managers from within our own ranks. Munich Re fosters key skill and specialist staff training by organising seminars, coaching and international assignments. Modern e-learning platforms accessible to staff worldwide are another training option. As employee expectations have changed, we have responded by introducing new career openings and systematic support of management and specialist careers. For example, in the reinsurance segment we run a "Future Excellence in Leadership (FUEL) management development programme" and have established talent development centres, where participants are groomed to assume responsible roles in Germany and abroad. Moreover Munich Re offers its staff practical ways of combining studies and career. In 2008, in close cooperation with the Munich School of Management, we launched an in-service Executive Master of Science in Insurance course, which we use in addition for our own staff development. We continue to take part in the Munich Model</p>	<p><b>CR portal</b> » Training and development</p>	Full

(apprenticeship training integrated study) insurance course, which is now in its third year. MEAG (and ERGO) encourage staff to enrol for in-service study courses by meeting a portion of the costs and granting study leave, e.g. MEAG: Chartered Financial Analyst course.

Primary insurance: ERGO has its own Management Development Unit, where senior executives are prepared for promotion to the next level. ERGO also runs an international graduate trainee programme that provides a valuable pool of skilled staff. To prepare for taking on specialist roles, ERGO staff can undertake part-time Bachelor of Insurance Practice or MBA insurance courses offered by well-known providers like the University of Leipzig and the German Insurance Academy.

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> <ul style="list-style-type: none"> <li>» Fair and performance-related remuneration</li> </ul>	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 2010, 49.25% of Munich Re employees were females. The proportion of females in management positions has been rising in recent years, and amounted to 22.6% in 2010.</p> <p>Munich Re staff by age (2010): 29 and under: 11.8% (3,155 employees) 30 to 49: 65.9% (17,629) 50 and over: 22.3 (5,949) 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> <ul style="list-style-type: none"> <li>» Diversity</li> <li>» Employee indicators</li> </ul> <p><b>Group annual report 2010</b> (p. 60-63) » Download (PDF)</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. Munich Re has implemented a transparent and neutral payment system, which is 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> <ul style="list-style-type: none"> <li>» Diversity</li> </ul>	Partial
<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>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.</p> <p>In January 2008, Munich Re's Board of Management set up a reputational risk committee for the reinsurance group. The committee's core function is to advise the operative units on sensitive business decisions, taking into account ecological, social and corporate governance aspects.</p> <p>As a member of the UNEP FI Insurance Working Group (IWG), we work for greater consideration of ecological, social and governance (ESG) factors in the insurance industry.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Compliance</li> <li>» Risk management</li> </ul>	Full
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><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Sustainable investments</li> </ul>	Full



	<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 and bonds 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>	<ul style="list-style-type: none"> <li>» Principles for Responsible Investment</li> <li>» Investment strategies for responsible investments</li> </ul>	
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 (only Munich Re reinsurance group) 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 2010, 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 a all purchasing volumes.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Compliance</li> </ul>	Partial
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 2010, 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 covered by the Code of Conduct. 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. The codes of conduct embody what we consider to be correct and responsible ethical principles for corporate action. 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 and signed the Diversity Charter in 2009. Signatories agree to create a work environment free from prejudice and exclusion, including an internal review of HR processes at regular intervals. 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.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Compliance</li> <li>» Diversity</li> </ul>	Partial
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 make any record of an employee's union membership. 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. The 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 declare that the collective bargaining agreement is applicable independent of membership in a trade union.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Compliance</li> </ul>	Partial
HR6	Operations identified as having significant risk for incidents of child labour,	<b>CR portal</b>	Full



(1, 2, 5)	and measures taken to contribute to the elimination of child labour	» Compliance	
	<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>		
HR7 (1, 2, 4)	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	CR portal » Compliance	Full
	<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>		
HR8 (1, 2)	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations	CR portal » Compliance	Partial
	<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>		
HR9 (1, 2)	Total number of incidents of violations involving rights of indigenous people and actions taken	CR portal » Compliance	Full
	<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>		

### 3. Society

SO (10)	Management approach	CR portal » Responsible corporate governance » Compliance » Anti-fraud management » Foundations	Full
	<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 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.</p> <p>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.</p> <p>Also important to us are preventing and combating corruption and financial crime. Important 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.</p> <p>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. In addition, we have established ourselves as a patron of the arts and culture. On the primary insurance side, ERGO supports health programmes. The foundations we have set up play an important part, and they make a significant contribution to sustainable development throughout the world.</p>		

### Aspect: Community

SO1	Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting		Not relevant
	<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. 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</p>		

activities in this field. A network to foster contact and exchange between the different business units is being 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.

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**Aspect: Corruption**

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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. 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>	Partial
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 2010, page 119 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

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**Aspect: Public policy**

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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 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: aligned 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. 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. MCII acts as an official advisor at the post-Kyoto negotiations. It attended the Climate Change Conference in Copenhagen, Denmark, in December 2009 and will be present as well at the Rio+20 Conference for Sustainable Development in Rio de Janeiro in June 2012.</p>		Full
SO6 (10)	<p>Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country</p>		Partial

The disclosure of donations is currently being assessed. At present, our political donations are published directly by the various parties supported ([www.bundestag.de/bundestag/parteienfinanzierung/index.html](http://www.bundestag.de/bundestag/parteienfinanzierung/index.html)). Subsidiaries decide on their budget for donations. A more detailed guideline will be implemented in 2011/2012.

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**Aspect: Anti-competitive behavior**

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SO7 Total number of legal actions for anticompetitive behaviour, anti-trust, and monopoly practices and their outcomes Partial

For us, adherence to high ethical and legal standards is a matter of principle. Currently, there is one suit pending against Munich Re and other reinsurance companies in Spain involving a potential infringement of competition law.

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**Aspect: Compliance**

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SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations Partial

For us, adherence to high ethical and legal standards is a matter of principle.

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**4. Product responsibility**

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PR (1, 8) Management approach Full

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.

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.

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.

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. In reinsurance, we work together with over 4,000 corporate clients from more than 160 countries. Our primary insurers in the ERGO subgroup service some 40 million (mainly private) clients in over 30 countries in Europe and Asia. The Munich Health business segment has over six million clients in primary insurance and 400 in reinsurance. 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.

Furthermore, in respect of all these services, it is important to mention 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.

With its "Talking Straight" 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.

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**Aspect: Client health and safety**

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PR1 (1) 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 Not relevant

Munich Re's products are not tangible and therefore have no health and safety impacts. This indicator does not apply to our sector.

PR2 (1) 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 Not relevant

Munich Re's products are not tangible and therefore have no health and

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.</p> <p>Transparency is important to us, and we are at pains to ensure information on our products and services and the corresponding conditions is clearly expressed. Likewise, one of ERGO's value propositions is to provide clear, coherent communications, this undertaking going beyond what is required by law. Customer queries can be dealt with through personal contact with one of ERGO's many representatives.</p> <p>With its "Talking Straight" 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. As an initial step, ERGO has therefore significantly improved the transparency of its insurance terms and conditions for private third-party liability insurance. Now that these terms have been shortened to a single sheet, customers receive all the information they need on the conditions of liability relating to their insurance protection in a clear and transparent format. They therefore know exactly what they can expect if they make a claim, since this is regulated by the conditions. The insurance terms previously extended to 30 pages. The new insurance terms are used in sales from 1 July 2011. The revision of terms for other products, e.g. household contents, residential property, motor, accident and term life insurance, will follow in the coming months.</p>	Partial	
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.</p>	Not reported	
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.</p> <p>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, confirm 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".</p> <p>Since 2007, on a yearly basis, customer satisfaction ratings 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.</p> <p>Image analyses for the ERGO brands D.A.S., DKV, ERGO und ERGO Direkt are performed every two years. In 2011, we will carry out image analyses of the new brands ERGO and ERGO Direkt. The brands D.A.S. and DKV are scheduled to conduct brand status surveys to document the changes since the survey in 2009. These surveys address clients and brand experts alike. The questions regarding image categories are both open- and closed-ended.</p>	<p><b>CR portal</b> » Stakeholder dialogue: Clients</p>	Full

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</p>	Full
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controls.

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.

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.

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.

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.

The ITA together with the independent German consumer magazine tested the initiative's progress to date among state-subsidised annuity insurance, so-called Riester policies. According to their findings, only four out of a total of 13 providers tested explain things in simple and easy-to-understand language. Achieving 84.5 out of a maximum of 100 points, ERGO Lebensversicherung's product information sheet was awarded the highest score and pronounced the winner.

PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	Not reported
	For us, adherence to high ethical and legal standards is a matter of principle.	
	<a href="#">Aspect: Customer privacy</a>	
PR8 (1)	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Not reported
	For us, adherence to high ethical and legal standards is a matter of principle.	
	<a href="#">Aspect: Compliance</a>	
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Not reported
	For us, adherence to high ethical and legal standards is a matter of principle.	

▼ [Financial Services Sector Supplement](#)

GRI-No./ (GC*)	Performance indicator / Brief answer	Link	Degree of compliance
	<a href="#">Financial sector indicators: Financial Services Sector Supplement (FSSS)</a>		
FS1	<p>Policies with specific environmental and social components applied to business lines</p> <p>Understanding/quantifying ESG (environmental, social, governance) aspects and risks are 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 Commission (IWG), we work for greater consideration of environmental, social and governance (ESG) factors in the insurance industry. We are chairing the Principles for Sustainable Insurance Working Group, an initiative which we chair. 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</p>	<p><b>Group annual report 2010</b> (p. 116 ff.) » <a href="#">Download (PDF)</a></p> <p><b>CR portal</b> » <a href="#">Responsible corporate governance</a> » <a href="#">Sustainable investments</a></p>	Full



Group companies lay down ESG (environmental, social, governance) criteria. We have also 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. The process of identifying ESG-issues is being steered by the CR Department. The first example is the elaboration of a new corporate policy on banned weapons. As signatory to the PRI, we follow a quota of 80% in Socially Responsible Investments (SRI). It is our opinion that the integration of ESG criteria provides increasing opportunities in our business, e.g. RENT.

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.

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.

FS2

Procedures for assessing and screening environmental and social risks in business lines

**CR portal**  
» Risk management

Full

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 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.

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.

Further specialised units/panels for early ESG risk detection:

- Since 2008, the Reputational Risk Committee (RRC) has supported all Munich Re units. Its core function is to advise operative units on sensitive business decisions that may have an impact on our corporate reputation, with the focus on considering the ethical legitimacy of a transaction. The coordinator of the RRC is the Compliance Officer.
- Emerging Risks Think Tank: The focus here is on risks arising as a result of legislative, socio-political, scientific, technological and similar changes and liable to have unmeasured/unknown effects on our portfolio. This cross-functional panel identifies trends and faint signals in many ways, including systematic trend research, using Munich Re's knowledge management, and regular structured discussions. To ensure that emerging risks are understood, a group of experts reports on the issues involved from various perspectives. They derive conceivable scenarios and analyse their possible impact on us, looking at interdependencies between different risks and other aspects related directly or indirectly to emerging risks. Cooperation with external partners complements our internal early-warning system.
- In 2007, Munich Re established the Corporate Climate Centre (CCC), forming the link between geoscientific research and operative underwriting. Its aim is to share knowledge with the Group's underwriters and clients, and to provide support in the quantification and risk management of natural hazards. Comprising a multidisciplinary team of experts, the CCC deals with the following: risk measurement/risk management, business/product development and asset management.
- 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.
- The Corporate Responsibility Department works on systematic consideration of ESG factors in our business. A first concrete example is a policy concerning companies producing, storing or trading banned weapons.
- We chair the UNEP FI working group developing principles for sustainable insurance (PSI), an initiative dealing with ESG issues and their integration into business.
- Munich Re provides expertise and risk mapping for innovative insurance solutions (e.g. exploration risk in geothermal projects, wind and solar performance solutions) for the development of renewable energy sources, because the exploitation of wind, solar radiation and geothermal heat sources is accompanied by uncharted entrepreneurial risks.
- In addition, in specialised centres of competence, e.g. for nanotechnology or 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. For instance, a specialized liability risk unit is responsible for long-term risks, risks of change, man-made disasters, fundamental issues of liability and insurance law, and social influences on liability and insurance.

- 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 Chief Risk Officer. 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.

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FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	Full
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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.

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.

MEAG, the asset manager of Munich Re and ERGO, currently has assets totalling some €210bn 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.

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 tries 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 are also using sustainability ratings such as Sustainalytics for our evaluation.

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FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	Full
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Munich Re's Corporate Responsibility strategy and activities are presented in various formats, at events like our induction courses for new staff members and courses for graduate recruits and trainees, and also at reinsurance and primary insurance management level.

Internal central function networks (such as Human Resources) ensure the constant sharing of CR information and analysis of key action areas. 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.

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. A letter written by our CEO in July 2011 (available on our intranet) underlines the great importance we attach to our codes of conduct, and staff are notified if major changes are made to them.

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.

An environmental manual is available on Munich Re's intranet, describing our environmental management system and documenting the main regulations and guidelines. It is the basis we use to monitor the evolution of our environmental management system and stipulates how we are to handle and process environmental and security issues in our procedures and operations. 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.

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.

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 and reinsurance clients, the media, the general public, our employees and capital market players.</p> <p>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.</p> <p>Our success in interacting with clients is confirmed by independent sources: we again won the best overall global reinsurer category in the 2010 Flaspöhler survey (the main cedant survey), several hundred respondents from 42 countries voting Munich Re the sector's number one. Munich Re also won Flaspöhler's "Reinsurer of the Decade 2001–2010" accolade.</p> <p>Some 20 million customers in Germany and 40 million throughout Europe put their trust in ERGO'S products and services. Customer satisfaction and professional complaints handling are key to our client-based orientation. Since 2007, ERGO's customer satisfaction ratings 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.</p> <p>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.</p> <p>Munich Re achieves good sustainability and socially responsible investment (SRI) ratings from oekom research and other institutes, and is listed in the relevant indices and funds, e.g. the DJSI and FTSE4Good.</p> <p>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.</p> <p>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.</p> <p>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. The foundations we have set up play an important part in this, making a significant contribution to sustainable development globally.</p>	<p><b>CR portal</b>  <a href="#">» Principles for Responsible Investment</a></p>	Full
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: €45,541m</p>	<p><b>Group annual report 2010/Consolidated financial statements and notes</b> (p. 178ff.)  <a href="#">» Download (PDF)</a></p>	Full

Reinsurance: €23,602m  
 Life and health insurance: €7,901m  
 Property-casualty insurance: €15,701m

Primary insurance: €17,481m  
 Health insurance: €6,484m  
 Property-casualty insurance: €5,499m

Consolidation: -€682m

Germany: €14,764m  
 Rest of Europe: €12,433m  
 North America: €12,061m  
 Asia and Australasia: €4,210m  
 Africa, Near and Middle East: €916m  
 Latin America: €1,157m

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. Our asset management arm, MEAG, offers three sustainable investment funds: MEAG Nachhaltigkeit, MEAG KlimaStrategie and MEAG FairReturn, which comprised a total of €107.432m as at 31 December 2010.</p>		Partial
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 two-and-a-half billion euros in renewable energies and corresponding new technologies.</p>		Partial
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, our Code of Conduct and environmental guidelines being geared to and supporting this system. Our externally certified environmental management system also monitors compliance with internal sustainability criteria and targets.</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 whom 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.</p>		Partial
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 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 2010, 84.7%, 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 2010, 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><b>CR portal</b>        » Microinsurance in reinsurance</p>	Full



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.

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.

Some examples:

1. Cooperation with CLIMBS on weather index related insurance (Cooperative Life Insurance & Mutual Benefit Services, Philippines).
2. The Munich Re Foundation organises the world's biggest microinsurance conference.
3. Munich Climate Insurance Initiative (MCII): The Munich Climate Insurance Initiative (MCII) was initiated by Munich Re in April 2005 in response to the growing realization that insurance solutions can play a role in adaptation to climate change, as suggested in the Framework Convention and the Kyoto Protocol.
4. ERGO offers microinsurance through a suite of products ranging from life to crop insurance.

- » Microinsurance in primary insurance
- » Munich Re Foundation

FS14

Initiatives to improve access to financial services for disadvantaged people

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 Phillipines.

Our Indian subsidiary HDFC ERGO, which specialises in property insurances, set up its own business segment in 2008 to develop and market insurance products for the rural sector. HDFC ERGO 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. It is essential with microinsurances that the products are easy to understand and affordable. For this reason, HDFC ERGO works with renowned microfinance institutions, country-based businesses, cooperatives and other rural associations.

70% of the Indian population live in the rural areas. The incidence of health insurances is extremely low there. In cooperation with Biocon Foundation, HDFC ERGO offers poor and economically disadvantaged people a product that for an affordable premium provides cover against hospitalisation or other expensive treatments such as operations. Specialists operating locally in rural areas with a mobile, cell-phone-based registration system make it easy to take out health insurance without the need for paperwork.

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 & Mutual Benefit Services (CLIMBS) in launching a microinsurance product to protect the loan portfolio of cooperatives against losses from extreme weather events in the Phillipines. A core concern is to pass on the benefits to end customers in low-income households.

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 9 to 11 November 2011 in Manila, Phillipines; next conference scheduled for 8 to 10 November 2011 in Rio de Janeiro, Brazil). The foundation has also published the Microinsurance Compendium in several languages. This is a book which allows readers to benefit from the valuable lessons learned from a project launched by the CGAP Working Group on Microinsurance, analysing operations around the world.

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. Students can obtain special rates for health cover.

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. The premium is generally lower than in private health insurance, so DKV is helping ensure that elderly low-income groups are not burdened by insurance costs. 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.

CR portal

- » Microinsurance in reinsurance
- » Microinsurance in primary insurance
- » Munich Re Foundation

Full



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.

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.

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 at pains 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.

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.

We further enhanced our client management in 2008 by 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. 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.

After a major restructuring process within ERGO, a campaign for fair and easy perception of all ERGO products is being conducted in 2011 for more transparency and open communication. With its "Talking Straight"-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.

Clarity also means concentrating on the information which customers need to know. For this, the terms and conditions have been shortened to a single sheet. The new insurance terms and conditions are being used in sales as from 1 July 2011. The revision of terms for other products, e.g. household contents, residential property, motor, accident and term life insurance, will follow in the coming months.

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. Of the about 40 million letters sent out annually, around 13 million have so far been revised, and this figure will rise to some 24 million by the end of 2011. Alongside written communication, direct communication is also being monitored. Back-office staff and sales representatives are receiving multi-stage training in expressing themselves more clearly.

Munich Re operates in all lines of insurance, with around 47,000 employees throughout the world. By combining international know-how with local/regional knowledge, we are able to offer clients customised solutions. Thus, our cedants benefit from our local presence. Our roughly 11,400 staff in reinsurance possess unique global and local knowledge. Our primary insurance operations are mainly concentrated in the ERGO Insurance Group, one of the largest insurance groups in Europe and Germany. More than 40 million clients in over 30 countries place their trust in the services and security it provides. Under the Munich Health brand, Munich Re combines its global healthcare knowledge in primary insurance and reinsurance. Over 5,000 experts at 26 locations use this wealth of knowledge to offer our international clients innovative solutions and individual consultancy and services.

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.

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") schools project in May 2006. The latest version appeared in May 2010.

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 (since 2009) European 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.

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.

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\*GC: Global Compact

## SRI-INDICES AND AWARDS




### Munich Re achieves good ratings in SRI

Maintaining an open dialogue with our stakeholders is part of our corporate culture, and we are always happy to answer questions on corporate responsibility put to us by SRI rating agencies, traditional financial institutions and other external bodies. By participating in these ratings, we make our commitment transparent. Munich Re's positive ratings and inclusion in sustainability indices and funds show that we are pursuing a successful corporate responsibility strategy.

The following review highlights selected sustainability indices and rating agencies that give Munich Re's commitment a positive rating and recommend Munich Re shares as a sustainable investment.

Related Topics

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




**Munich Re in 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 French agency Vigeo in conjunction with Stoxx Ltd.



**Munich Re among best-in-branch**  
Bloomberg analyses and evaluates corporate transparency in environmental, social and governance (ESG) matters. Munich Re came second in the insurance section in 2010. According to Bloomberg, clients using its 250,000 data terminals have access to all publicly available ESG data from 2,000–3,000 companies.

**Carbon Disclosure Project**


**Munich Re in CDP**  
Since the start of CDP (Carbon Disclosure Project), we have participated in the annual questionnaires and have received good ratings.



**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, a leading SRI rating agency.




**Munich Re DJSI-listed since 2001**  
Since 2001, Munich Re has been continuously listed above average in the Dow Jones Sustainability Indices.




**Munich Re in silver class**  
For the second consecutive year, Munich Re has been selected for inclusion in the Silver Class of excellent companies by SAM Group Holding AG, which assesses socially responsible investment and determines the Dow Jones Sustainability universe.




**Munich Re, the DZ Bank label marked for Sustainability**  
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.



**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.



**Munich Re's ESI listing (based on Vigeo analysis)**  
Munich Re is listed in the ESI (Ethibel Sustainability Index), which is based on Vigeo's ratings. Ethibel is an independent SRI rating agency, specialised in socially responsible investments.



**In the FTSE4Good from the outset**  
Since the FTSE4Good was started by the FTSE Group in 2001, Munich Re has always been included in the list. The result of the latest rating has shown an improvement in the environmental sector.

Above-average rating



In Goldman Sachs "Global Insurance ESG Report – The die has been cast", 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.



**Top ISS 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 equity indices.



**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. Munich Re is also listed in the SRI European index investment universe. Munich Re was ranked "suitable" in an Oddo corporate governance survey.



**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.



**Best-in-branch in insurance ratings**

Munich Re exceeded the Sustainalytics 2010 industry average and was rated best-in-branch.

## MEMBERSHIPS AND PARTNERSHIPS



### Partnerships, initiatives and foundations

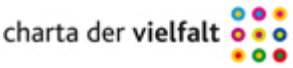
For Munich Re, corporate responsibility means actively taking part in cooperation partnerships and systematically promoting initiatives. Besides this, the foundations set up by Munich Re constitute a central component of our social commitment.

Actions

- » EXPAND ALL
- » COLLAPSE ALL


▼ 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)

 Munich Climate Insurance Initiative (MCII)

 Principles for Responsible Investment (PRI)

 Principles for Sustainable Insurance (PSI)

 Environmental Pact of Bavaria


 UNEP Finance Initiative  
Innovative financing for sustainability

 UN Global Compact  
WE SUPPORT

▼ 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 Junge Tonhalle


 CaFée mit Herz e.V.

 D.A.S.ler e.V.  
D.A.S. ler helfen e.V.

 German Mathematical Society

 European Mathematical Society

 ergo: wir helfen e.V.

 Gustav Mahler Orchester (Gustav Mahler Youth Orchestra)





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



Nicolaidis Stiftung (Nicolaidis Foundation)

NICOLAIDIS STIFTUNG GMBH



SingPause (schools singing project)



Association for the Promotion of Science and Humanities in Germany



Stiftung Pfennigparade ("Penny Parade" Foundation)

Das Rehabilitationszentrum in München

#### ▼ 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

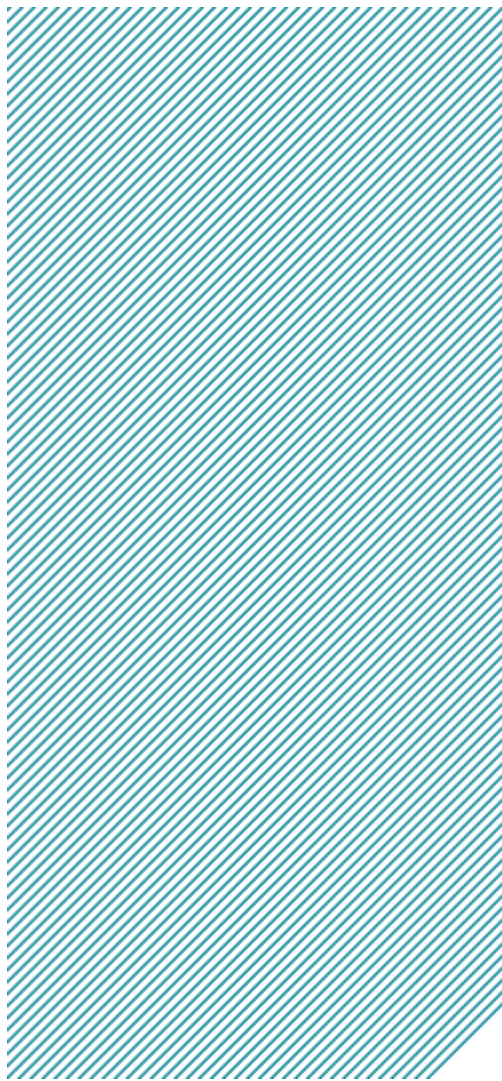


Munich Re Foundation



Dr. Hans-Jürgen Schinzler Foundation

» Home



## Imprint

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