RI TRANSPARENCY REPORT

2014/15

Munich Reinsurance AG
About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the PRI website, ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation’s response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a Principles Index which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six Principles for Responsible Investment. It can be used by stakeholders as an ‘at-a-glance’ summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the ‘General’ column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔</td>
<td>The signatory has completed all mandatory parts of this indicator</td>
</tr>
<tr>
<td>☐</td>
<td>The signatory has completed some parts of this indicator</td>
</tr>
<tr>
<td>○</td>
<td>This indicator was not relevant for this signatory</td>
</tr>
<tr>
<td>-</td>
<td>The signatory did not complete any part of this indicator</td>
</tr>
<tr>
<td>⬤</td>
<td>The signatory has flagged this indicator for internal review</td>
</tr>
</tbody>
</table>

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.
## Principles Index

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Short description</th>
<th>Status</th>
<th>Disclosure</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>OO 01</td>
<td>Signatory category and services</td>
<td>✓</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OO 02</td>
<td>Headquarters and operational countries</td>
<td>✓</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OO 03</td>
<td>Subsidiaries that are separate PRI signatories</td>
<td>✓</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OO 04</td>
<td>Reporting year and AUM</td>
<td>✓</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OO 05</td>
<td>Breakdown of AUM by asset class</td>
<td>✓</td>
<td>Asset mix disclosed in OO 06</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OO 06</td>
<td>How would you like to disclose your asset class mix</td>
<td>✓</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OO 07</td>
<td>Segregated mandates or pooled funds</td>
<td>❌</td>
<td>n/a</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OO 08</td>
<td>Breakdown of AUM by market</td>
<td>✓</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OO 09</td>
<td>Additional information about organisation</td>
<td>✓</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OO 10</td>
<td>RI activities for listed equities</td>
<td>✓</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OO 11</td>
<td>RI activities in other asset classes</td>
<td>✓</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OO 12</td>
<td>Modules and sections required to complete</td>
<td>✓</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Overarching Approach

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Short description</th>
<th>Status</th>
<th>Disclosure</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>OA 01</td>
<td>RI policy and other guidance documents</td>
<td>✓</td>
<td>Public</td>
<td>✓</td>
</tr>
<tr>
<td>OA 02</td>
<td>Publicly available policies / documents</td>
<td>✓</td>
<td>Public</td>
<td>✓ ✓</td>
</tr>
<tr>
<td>OA 03</td>
<td>Policy components and coverage</td>
<td>✓</td>
<td>Public</td>
<td>✓ ✓</td>
</tr>
<tr>
<td>OA 04</td>
<td>Conflicts of interest</td>
<td>✓</td>
<td>Public</td>
<td>✓</td>
</tr>
<tr>
<td>OA 05</td>
<td>RI goals and objectives</td>
<td>✓</td>
<td>Public</td>
<td>✓</td>
</tr>
<tr>
<td>OA 06</td>
<td>Main goals/objectives this year</td>
<td>✓</td>
<td>Private</td>
<td>✓</td>
</tr>
<tr>
<td>OA 07</td>
<td>Governance, management structures and RI processes</td>
<td>✓</td>
<td>Public</td>
<td>✓</td>
</tr>
<tr>
<td>OA 08</td>
<td>RI roles and responsibilities</td>
<td>✓</td>
<td>Public</td>
<td>✓</td>
</tr>
<tr>
<td>OA 09</td>
<td>RI in performance management, reward and/or personal development</td>
<td>✓</td>
<td>Private</td>
<td>✓</td>
</tr>
<tr>
<td>OA 10</td>
<td>Collaborative organisations / initiatives</td>
<td>✓</td>
<td>Public</td>
<td>✓ ✓</td>
</tr>
<tr>
<td>OA 11</td>
<td>Promoting RI independently</td>
<td>✓</td>
<td>Public</td>
<td>✓</td>
</tr>
<tr>
<td>OA 12</td>
<td>Dialogue with public policy makers or standard setters</td>
<td>✓</td>
<td>Private</td>
<td>✓ ✓ ✓</td>
</tr>
<tr>
<td>OA 13</td>
<td>ESG issues in strategic asset allocation</td>
<td>-</td>
<td>n/a</td>
<td>✓ ✓ ✓</td>
</tr>
<tr>
<td>OA 14</td>
<td>Allocation of assets to environmental and social themed areas</td>
<td>✓</td>
<td>Private</td>
<td>✓</td>
</tr>
<tr>
<td>OA 15</td>
<td>ESG issues for internally managed assets not reported in framework</td>
<td>✓</td>
<td>Private</td>
<td>✓</td>
</tr>
<tr>
<td>OA 16</td>
<td>ESG issues for externally managed assets not reported in framework</td>
<td>❄</td>
<td>n/a</td>
<td>✓</td>
</tr>
<tr>
<td>OA 17</td>
<td>RI/ESG in execution and/or advisory services</td>
<td>❄</td>
<td>n/a</td>
<td>✓ ✓</td>
</tr>
<tr>
<td>OA 18</td>
<td>Innovative features of approach to RI</td>
<td>✓</td>
<td>Private</td>
<td>✓</td>
</tr>
<tr>
<td>OA 19</td>
<td>Internal and external review and assurance of responses</td>
<td>✓</td>
<td>Private</td>
<td>✓</td>
</tr>
</tbody>
</table>
Munich Reinsurance AG

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01 Mandatory

OO 01.1 Select the category which best represents your primary activity.

- Non-corporate pension or superannuation or retirement or provident fund or plan
- Corporate pension or superannuation or retirement or provident fund or plan
- Insurance company
- Foundation or endowment
- Development finance institution
- Reserve - sovereign or government controlled fund
- Other, specify

OO 01.2 Additional information. [Optional]

Our business model is based on the combination of primary insurance and reinsurance under one roof. We take on risks worldwide of every type and complexity, and our experience, financial strength, efficiency and first-class service make us the first choice for all matters relating to risk. Our client relationships are built on trust and cooperation.

Munich Re stands for exceptional solution-based expertise, consistent risk management, financial stability and client proximity. In the financial year 2014, the Munich Re Group achieved a profit of €3.2bn on premium income of €48bn. It operates in all lines of insurance, with almost 43,000 employees throughout the world.

Reinsurance
With premium income of around €27bn from reinsurance alone, Munich Re is one of the world's leading reinsurers. Especially when clients require solutions for complex risks, Munich Re is a much sought-after business partner. Our roughly 12,000 staff in reinsurance possess unique global and local knowledge. Munich Re attaches great importance to its client service, which regularly receives top ratings.

Primary insurance
Our primary insurance operations are mainly concentrated in the ERGO Insurance Group. Worldwide, the Group is represented in over 30 countries and concentrates on Europe and Asia. ERGO offers a comprehensive spectrum of insurance, provision and services. In its home market of Germany, ERGO ranks among the leading providers across all segments. 46,000 people work for the Group, either as salaried employees or as full-time self-employed sales representatives. In 2014, ERGO recorded a premium income of €18bn.

Munich Health
Under the Munich Health brand, Munich Re combines its global healthcare knowledge in primary insurance and reinsurance with a premium income of €5.3bn in the financial year 2014. 3,000 experts located across the globe use this wealth of knowledge to offer our international clients innovative solutions and individual consultancy and services. Our unique business model means we can respond quickly and effectively to changes in local markets, thus ensuring the long-term success of our clients.

Asset management
The Group's worldwide investments of €227bn (including insurance-related investments) are managed by MEAG. The quality of our asset management proved its worth during the recent financial crisis, which Munich Re weathered with continued financial strength.

In addition, MEAG also offers its expertise to private and institutional clients. The volume of these assets under management amounts to a total of €13.9bn.
OO 02 | Mandatory | Peering | General
---|---|---|---
**OO 02.1** | Select the location of your organisation’s headquarters. | | 
Germany

**OO 02.2** | Indicate the number of countries in which you have offices (including your headquarters). | | 
- 1
- 2-5
- 6-10
- >10

**OO 02.3** | Indicate the approximate number of staff in your organisation in full-time equivalents (FTE). | | 
FTE
43316

**OO 02.4** | Additional information. [Optional] | | 
43316 employees in 2014

OO 03 | Mandatory | Descriptive | General
---|---|---|---
**OO 03.1** | Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right. | | 
- Yes
- No

OO 04 | Mandatory | Gateway/Peering | General
---|---|---|---
**OO 04.1** | Indicate the year end date for your reporting year. | | 
31/12/2014

**OO 04.2** | Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets. | | 

<table>
<thead>
<tr>
<th></th>
<th>trillions</th>
<th>billions</th>
<th>millions</th>
<th>thousands</th>
<th>hundreds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total AUM</td>
<td>254</td>
<td>500</td>
<td>000</td>
<td>000</td>
<td></td>
</tr>
<tr>
<td>Currency</td>
<td>EUR</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets in USD</td>
<td>333</td>
<td>774</td>
<td>504</td>
<td>198</td>
<td></td>
</tr>
</tbody>
</table>
Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Internally managed (%)</th>
<th>Externally managed (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed equity</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Fixed income – corporate</td>
<td>28</td>
<td>0</td>
</tr>
<tr>
<td>Fixed income – government</td>
<td>42</td>
<td>0</td>
</tr>
<tr>
<td>Fixed income – other</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td>Private debt</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Private equity</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Property</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Commodities</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Hedge funds</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Forestry</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Farmland</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Inclusive finance</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cash</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Other (1), specify</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td>Other (2), specify</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>
"Other (1)" specified

AuM including ERGO stake of Munich Re and third party assets

"Other (2)" specified

Alternative Investments including renewable energy and infrastructure investments

- Publish our asset class mix as broad ranges
- Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 06.2 Additional information. [Optional]

"Covered bonds" categorised as "Fixed Income - Corporate" because a common strategy is used.

OO 08 Mandatory to Report Voluntary to Disclose Peering General

OO 08.1 Indicate the breakdown of your organisation’s AUM by market.

<table>
<thead>
<tr>
<th>Market breakdown</th>
<th>% of AUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed Markets</td>
<td>○ 0%</td>
</tr>
<tr>
<td></td>
<td>○ &lt;10%</td>
</tr>
<tr>
<td></td>
<td>○ 10-50%</td>
</tr>
<tr>
<td></td>
<td>○ &gt;50%</td>
</tr>
<tr>
<td>Emerging, Frontier and Other Markets</td>
<td>○ 0%</td>
</tr>
<tr>
<td></td>
<td>○ &lt;10%</td>
</tr>
<tr>
<td></td>
<td>○ 10-50%</td>
</tr>
<tr>
<td></td>
<td>○ &gt;50%</td>
</tr>
</tbody>
</table>

OO 09 Voluntary Descriptive General

OO 09.1 Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.

Corporate responsibility strategy

For Munich Re, a forward-looking and responsible approach is axiomatic. Corporate responsibility is therefore an essential component of our Group strategy and a standard that applies throughout the Group.

Insurance and corporate responsibility are essentially the same in that they both signify a promise for the future. As insurers, our existence is dependent on the trust of our clients and investors. In order to keep our promises, we always have to bear in mind the medium- to long-term orientation of our strategy. For us, achieving sustainably profitable growth and fulfilling societal obligations are in no way contradictory.

A key aim of our business strategy is to create sustained value for our clients, shareholders, staff members and society as a whole. That is why corporate responsibility is an indispensable part of our Group strategy. For us, this means:

- We incorporate ecological, social and ethical aspects in our insurance business and asset management.
• We have active environmental management at our locations and are endeavouring to achieve climate neutrality.
• Munich Re fulfills its responsibility as a member of society (corporate citizen) through involvement in issues closely related to its core business and, at its locations, in social and cultural areas.

By consistently integrating corporate responsibility in the Group strategy, we are seeking to
• make a contribution to the profitable growth of the Munich Re Group,
• identify business risks and opportunities as early as possible,
• bring our expertise to bear on decision-making regarding global risks,
• further enhance Munich Re's reputation and image with all stakeholders,

and increase the value of Munich Re's shares. Furthermore, corporate responsibility is defined by our Group-wide core principles as an integral part of our Group strategy and thereby of all business areas and processes. The fields of action of our corporate responsibility strategy are covering three main focal areas:
• Firstly, our aim is to integrate ecological, social and ethical (i.e. also aspects of good corporate governance) factors ("ESG factors") into our core business and investments to a greater extent.
• Secondly, in order to minimise the impact we have on the environment, we have established a Group-wide environmental management system and are successively 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.

Investing responsibly - Binding criteria
Corporate responsibility as an integral part of our Group strategy is also reflected in our investment approach. The Principles for Responsible Investment (PRI) serve as the framework.

Insurance companies are subject to strict security and return requirements. They have to ensure that their clients' money is invested both safely and profitably. MEAG (MUNICH ERGO AssetManagement GmbH) is the asset manager of the Munich Re Group and currently manages over €250bn globally.

In April 2006, Munich Re became the first German company to sign the UN Principles for Responsible Investment (PRI), which we also played a prominent role in drafting. Since then, the PRI have served as guidelines for our investment strategy, anchoring environmental, social and governance (ESG) aspects more firmly in our investment process. MEAG, our asset-management arm, is responsible for the application of the PRI. At Group level, a team consisting of representatives of Munich Re, ERGO and MEAG strategically develops socially responsible investment further in line with PRI requirements.

<table>
<thead>
<tr>
<th>Gateway asset class implementation indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OO 10</strong></td>
</tr>
<tr>
<td><strong>OO 10.1</strong></td>
</tr>
<tr>
<td>✓ We incorporate ESG issues into investment decisions on our internally managed assets</td>
</tr>
<tr>
<td>✓ We engage with companies on ESG issues via our staff, collaborations or service providers</td>
</tr>
<tr>
<td>✓ We cast our (proxy) votes directly or via service providers</td>
</tr>
<tr>
<td>□ None of the above</td>
</tr>
<tr>
<td><strong>OO 11</strong></td>
</tr>
</tbody>
</table>
Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- ☑ Fixed income – corporate
- ☑ Fixed income – government
- ☐ Fixed Income – other
- ☑ Property
- ☑ Cash
- ☐ Other (1)
- ☑ Other (2)
- ☐ None of the above

('Other (1)’ [as defined in OO 05]

AuM including ERGO stake of Munich Re and third party assets

('Other (2)’ [as defined in OO 05]

Alternative Investments including renewable energy and infrastructure investments

The modules and sections that you will be required to complete are listed below.

This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.

Core modules

- ☑ Organisational Overview
- ☑ Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

- ☐ Direct - Listed Equity incorporation
  - ☐ Listed Equity incorporation

- ☐ Direct - Listed Equity active ownership
  - ☐ Engagements
  - ☐ (Proxy) voting
<table>
<thead>
<tr>
<th>Direct - Fixed Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Fixed Income - Corporate</td>
</tr>
<tr>
<td>□ Fixed Income - Government</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Direct - Other asset classes with dedicated modules</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Property</td>
</tr>
</tbody>
</table>

**Closing module**

☑ Closing module
Munich Reinsurance AG

Reported Information

Public version

Overarching Approach

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## Responsible investment policy

<table>
<thead>
<tr>
<th>OA 01</th>
<th>Mandatory</th>
<th>Gateway/Core Assessed</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>OA 01.1</td>
<td>Indicate if you have a responsible investment policy.</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>OA 01.2</td>
<td>Indicate if you have other guidance documents or more specific policies related to responsible investment.</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>OA 01.3</td>
<td>Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Internal requirements - Our General Investment Guidelines**

As early as 2002, we decided that our equity and bond investments had to meet specific sustainability criteria. In 2005, this requirement was incorporated into our Group-wide General Investment Guidelines (GIG). Altogether, the major portion of our investments meet sustainable investment criteria. In the asset classes of infrastructure, renewable energies and forestry, we have established an investment process which follows additional important objectives relating to investment (including ESG criteria) as well as financial criteria. We regularly review our sustainability criteria for these asset classes using the ESG criteria of external rating agencies. Particularly in the areas of infrastructure and forestry, MEAG benefits from the extensive experience of Munich Re's experts in the field of risk research and assessment.

<table>
<thead>
<tr>
<th>OA 02</th>
<th>Mandatory</th>
<th>Core Assessed</th>
<th>PRI 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>OA 02.1</td>
<td>Indicate if your responsible investment policy is publicly available.</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>OA 02.2</td>
<td>Provide a URL to your responsible investment policy.</td>
<td>URL</td>
<td></td>
</tr>
</tbody>
</table>


O No
OA 02.3  Indicate if your other policies or guidance documents related to responsible investment are publicly available.

- Yes
- Yes, all
- Yes, some

OA 02.4  List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

<table>
<thead>
<tr>
<th>Policy or document name</th>
<th>URL</th>
</tr>
</thead>
</table>

- No

OA 02.5  Additional information. [Optional]

Please be aware of that URLs may change due to update of Corporate Responsibility webpage.

OA 03  Mandatory  Core Assessed  PRI 1,2

OA 03.1  Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply
### Policy components/types

- Policy setting out your overall approach
- (Proxy) voting policy
- Engagement/active ownership policy
- Specific guidelines on corporate governance
- Specific guidelines on environmental issues
- Specific guidelines on social issues
- Asset class-specific guidelines
- Screening/exclusion policy
- Other, specify
- Other, specify

### Coverage by AUM

- Applicable policies cover all AUM
- Applicable policies cover a majority of AUM
- Applicable policies cover a minority of AUM

---

**OA 03.2** Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]

More than 90% of AuM are covered by our corporate responsibility investment policy.

**OA 03.3** Additional information. [Optional]

We implemented ESG criteria for Alternative Investment sub asset classes.

**OA 04** Mandatory

**OA 04.1** Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

- Yes

**OA 04.2** Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

In order to counteract potential conflicts of interest in the field of asset management and managing securities/real estate funds, the company took care to ensure a separation of functions, where they are not compatible with each other. The principle of functional separation is effective all the way up to Management Board level. Beyond that the company also obliges its staff to adhere to Conflict of Interest Principles and in general to observe high ethical standards, including but not limited to the Code of Conduct and the Best Execution Principles. A Compliance department was established at Munich Re's group asset manager MEAG to identify, avoid and manage conflicts of interest.

- No
OA 04.3  Additional information. [Optional]

Please find attached further information regarding potential conflicts of interest and proactive measures (Principles for avoiding conflicts of interest) under the following link:

Objectives and strategies

OA 05  Mandatory  Gateway/Core Assessed  General

OA 05.1  Indicate if your organisation sets objectives for its responsible investment activities.

☐ Yes

OA 05.2  Indicate how frequently your organisation sets or revises objectives for responsible investment.

☐ At least once per year
☐ Less than once per year

OA 05.3  Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

☐ Quarterly
☐ Biannually
☐ Annually
☐ Every two years or less
☐ It is not reviewed
☐ No

OA 05.4  Additional information. [Optional]

According to our General Investment Guidelines the major part of our investments should meet sustainability criteria. Internal quarterly calculation and review of sustainability quota, which measures our sustainability performance.

Governance and human resources

OA 07  Voluntary  Descriptive  General

OA 07.1  Provide a brief description of your organisation’s governance, management structures and processes related to responsible investment.

Management of investments - Pooling our know-how for sustainability

MEAG pools its own expertise in asset management with the Group’s risk and insurance expertise. The aim is to generate sustained returns and thus achieve above-average performance for investors.
Our investment strategy is based on the principles of sustainability. MEAG can draw not only on Munich Re’s extensive experience in the area of research and assessment of risks but also on that of external rating agencies and research institutions. A stringent investment process and exceptional capital market experience are features of its portfolio management geared to sustainability.

Top-down approach and asset-liability management

MEAG’s experts follow a risk-controlled investment approach geared to above-average long-term performance. Depending on the specific investment category and focus, they put together the portfolios using a top-down approach. Taking into account micro and macro-economic factors as well as capital market data, MEAG decides on the allocation in individual countries and sectors. Some 70 experienced portfolio managers are in charge of implementing investment decisions and selecting attractive securities. All persons involved adhere to the criteria of our internal asset-liability management and a holistic risk management process. This is how we ensure that we can always meet our short and long-term obligations to our clients in the best possible way.

Internal requirements - our General Investment Guidelines

As early as 2002, we decided that our equity and bond investments had to meet specific sustainability criteria. In 2005, this requirement was incorporated into our Group-wide General Investment Guidelines (GIG). Altogether, the major portion of our investments meet sustainable investment criteria. In the asset classes of infrastructure, renewable energies and forestry, we have established an investment process which follows additional important objectives relating to investment (including ESG criteria) as well as financial criteria. We regularly review our sustainability criteria for these asset classes using the ESG criteria of external rating agencies. Particularly in the areas of infrastructure and forestry, MEAG benefits from the extensive experience of Munich Re’s experts in the field of risk research and assessment.

Excellent portfolio management

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

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 on the basis of their environmentally friendly and socially responsible behaviour as well as their financial success. This involves supplementing leading equities with forward-looking niche providers. By contrast, producers of tobacco, alcoholic beverages, arms and weapons are excluded, as are companies in the gambling industry.

Secure returns plus protection of endowment capital is the priority of every foundation. The MEAG FairReturn investment fund established in June 2009 meets both requirements. The fund managers invest predominantly in Europe in accordance with strict social, ecological and financial criteria recommended by the rating agency oekom research. At the same time there is a requirement for positive growth in value. The fund developed so successfully that MEAG opened it for private clients at the beginning of 2010.

In 2014, for the third time in succession, MEAG FairReturn was named foundation fund of the year. And even though 2013 was not an easy year for investors, the fund was still able to achieve significant growth. Translated, the summary of the reasons given for the award in 2014 reads: “Foundation assets lie in the hands of one of the largest asset managers, governed by a management approach which credibly restricts risk and is committed to following the objective of sustainability. Compelling!”

All our investment strategies for retail funds adhere to the Principles for Responsible Investment (PRI) which Munich Re signed in 2006, the first German company to do so.

☐ I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)
## Roles present in your organisation

- **Board members or trustees**
  - ☑ Oversight/accountability for responsible investment
  - ☐ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment

- **Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee**
  - ☑ Oversight/accountability for responsible investment
  - ☐ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment

- **Other Chief-level staff or head of department, specify**
  - **Head of departments portfolio management**
    - ☑ Oversight/accountability for responsible investment
    - ☐ Implementation of responsible investment
    - ☐ No oversight/accountability or implementation responsibility for responsible investment

- **Portfolio managers**
  - ☐ Oversight/accountability for responsible investment
  - ☑ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment

- **Investment analysts**
  - ☐ Oversight/accountability for responsible investment
  - ☑ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment

- **Dedicated responsible investment staff**
  - ☑ Oversight/accountability for responsible investment
  - ☑ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment

- ☐ External managers or service providers
- ☐ Other role, specify
- ☐ Other role, specify

### OA 08.2
Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

<table>
<thead>
<tr>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
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</tbody>
</table>

### OA 08.3
Additional information. [Optional]

The company obliges its staff to observe high ethical standards. A high degree of care and integrity, to act lawful and professional in the client's best interest are expected.
Promoting responsible investment

OA 10 | Mandatory | Core Assessed | PRI 4,5

OA 10.1 | Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

☑ Principles for Responsible Investment

Your organisation’s role in the initiative during the reporting period (see definitions)

☐ Basic
☐ Moderate
☑ Advanced

Provide a brief commentary on the level of your organisation’s involvement in the initiative. [Optional]

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

A holistic investment strategy aligned with ESG (environmental, social, governance) criteria also has a beneficial effect on risk and return. That is why, on 27 April 2006, we were one of the first signatories to the United Nations Principles for Responsible Investment (PRI), which we played a prominent role in drafting.

Behind these principles is the view that investment decisions often take insufficient account of the need for sustainable development and thus the needs of future generations.
Your organisation’s role in the initiative during the reporting period (see definitions)

☐ Basic
☐ Moderate
☒ Advanced

Provide a brief commentary on the level of your organisation’s involvement in the initiative. [Optional]

Over 200 financial institutions, including banks, insurers and fund managers, work for the global partnership to understand the impacts of environmental and social considerations on financial performance. Munich Re joined the organisation in 1999 and supports financial climate-change topics that need to be addressed.

☒ United Nations Global Compact
Global Compact as our guideline
Since 2007, Munich Re Group has been committed to the ten principles of the United Nations’ Global Compact. These represent a worldwide standard and help us to continue to improve our corporate responsibility. The annual Communication on Progress (COP) is integrated in our Corporate Responsibility portal.

Group-wide Code of Conduct
The central guideline for our actions is our Code of Conduct, which describes our understanding of values and has also been implemented by our subsidiaries. It specifies rules that are binding for all Munich Re staff and is regularly reviewed and expanded as needed. In 2013, for example, we anchored the understanding of values conveyed in the Global Compact by expressly referring to the ten principles in the introduction to our Code of Conduct. In 2012, we introduced rules of conduct to ensure that our interaction with clients is fair. Our objectives in doing so were to ensure that we meet legal requirements and to define a uniform Munich Re position with regard to "ethical walls" situations. The code applies to all employees in reinsurance units who make or can influence business decisions or who have access to confidential information.

☑ Other collaborative organisation/initiative, specify
VfU

Your organisation’s role in the initiative during the reporting year (see definitions)
☐ Basic
☐ Moderate
☑ Advanced

Provide a brief commentary on the level of your organisation’s involvement in the initiative. [Optional]

The VfU is a network of financial service providers from Germany, Austria and Switzerland. Since 1995, the Association and its members have been working on developing and realising innovative and sustainable solutions for financial services providers, with the goal of helping the financial economy make a contribution to a sustainable development. As a representative of interests for sustainability issues in the German-language financial sector, the VfU participates in the political dialogue on a sustainable economy in various forums. As a think tank, the VfU occupies itself with the integration of sustainability aspects into business and management processes and financial services.

The VfU has taken over the function of the CFI (Climate Change, Financial Markets & Innovation/Finance Forum Climate Change) project that was supported by the BMBF until March 2013, and which was founded within the framework of the “High-tech strategy for climate protection” of the German government. Prof. Dr. Peter Höppe (Head of Munich Re’s GEO Risks Research/Corporate Climate Centre) is member of the board and chairman of the VfU Finance Forum Climate Change.

☑ Other collaborative organisation/initiative, specify
Principles for Sustainable Insurance (PSI)

Your organisation’s role in the initiative during the reporting year (see definitions)
☐ Basic
☐ Moderate
☑ Advanced
In 2012, MR signed the Principles for Sustainable Insurance (PSI), which we were also actively involved in creating. As a signatory, we actively campaign to have environmental, social and governance aspects (ESG) accounted intensely in the insurance business. For us, the PSI serves as a framework for (ESG) aspects more strongly in our core business. By taking these aspects into account along the whole value chain of our business, we expand our risk management by a further dimension. The head of Corporate Responsibility at Munich Re (Group), Dr. Astrid Zwick, is member of the PSI Board.

☐ Other collaborative organisation/initiative, specify
☐ Other collaborative organisation/initiative, specify

<table>
<thead>
<tr>
<th>OA 11</th>
<th>Mandatory</th>
<th>Core Assessed</th>
<th>PRI 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>OA 11.1</td>
<td>Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.</td>
<td>☑ Yes</td>
<td></td>
</tr>
<tr>
<td>OA 11.2</td>
<td>Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.</td>
<td>☑ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>☐ Provided financial support for academic or industry research on responsible investment</td>
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<td></td>
<td></td>
<td>☑ Encouraged better transparency and disclosure of responsible investment practices across the investment industry</td>
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<td></td>
<td></td>
<td>☑ Spoke publicly at events and conferences to promote responsible investment</td>
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<td></td>
<td></td>
<td>☑ Wrote and published in-house research papers on responsible investment</td>
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<td></td>
<td></td>
<td>☐ Encouraged the adoption of the PRI</td>
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<td></td>
<td></td>
<td>☑ Other, specify</td>
<td></td>
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</tbody>
</table>

PSI (Principles for Sustainable Insurance): In 2012, MR Group signed the PSI, in which we were also actively involved in creating.

☐ No

<table>
<thead>
<tr>
<th>OA 11.3</th>
<th>Additional information. [Optional]</th>
</tr>
</thead>
</table>

MEAG published numerous press articles in financial newspapers and magazines dealing with the topic sustainability


MEAG and Munich Re also take up the issue of responsible investment in discussions with investors. Munich Re participated in specific SRI Roadshows, in 2014 e.g. in London and Paris.

Mr. Kerzel (member of the MEAG KAG board) presented at/participated in:

- "Norton Rose Fulbright Renewables Day 2014", 27.02.14, Munich
- 5th symposium "Kraftwerke der Zukunft" (Power plants of the future), 10.03.14, Berlin
- Berlin Talks organized by BofAML "Investieren in die Energiewende - Wege in die Zukunft" (Investment into energy transition - roads to the future), 20.05.14, Berlin