



UNEP **Finance Initiative**



PSI

Principles for Sustainable Insurance

A pioneering global sustainability framework and initiative

4th Global Platform for Disaster Risk Reduction

May 2013, Geneva, Switzerland

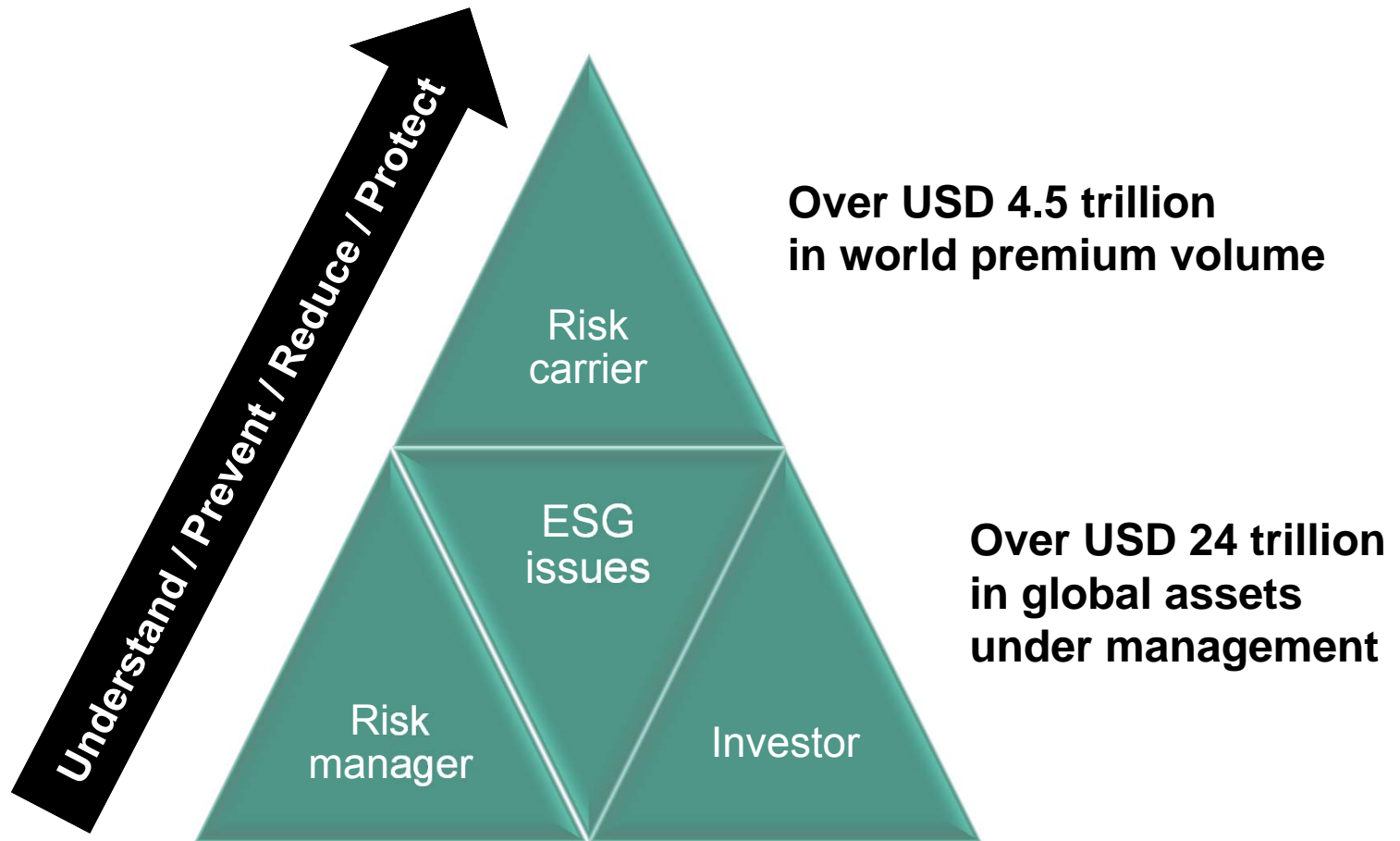
Butch Bacani

Programme Leader

The UNEP FI Principles for Sustainable Insurance Initiative

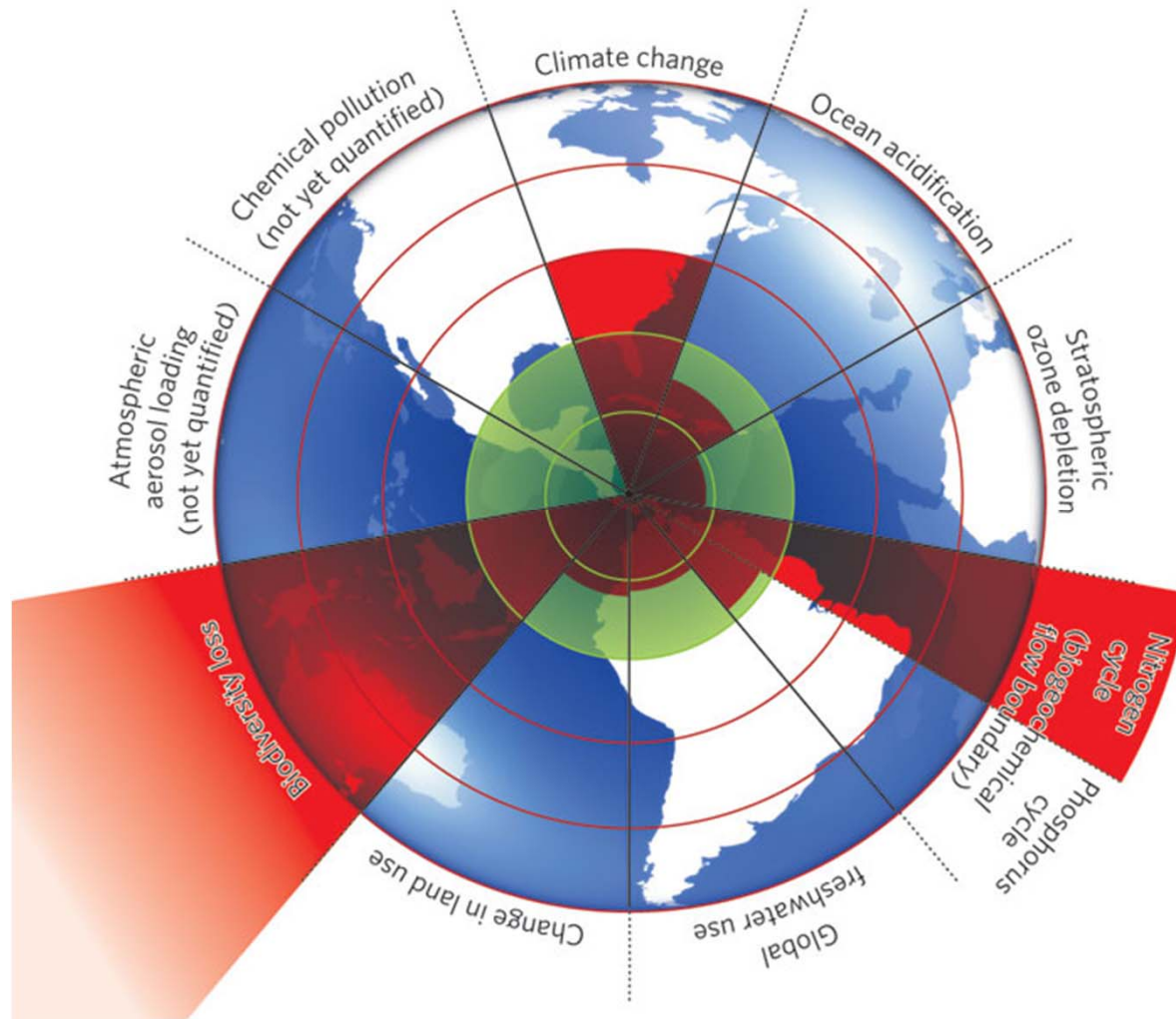
Why the insurance industry?

Uniquely positioned to tackle environmental, social and governance (ESG) risks and opportunities in a changing risk landscape



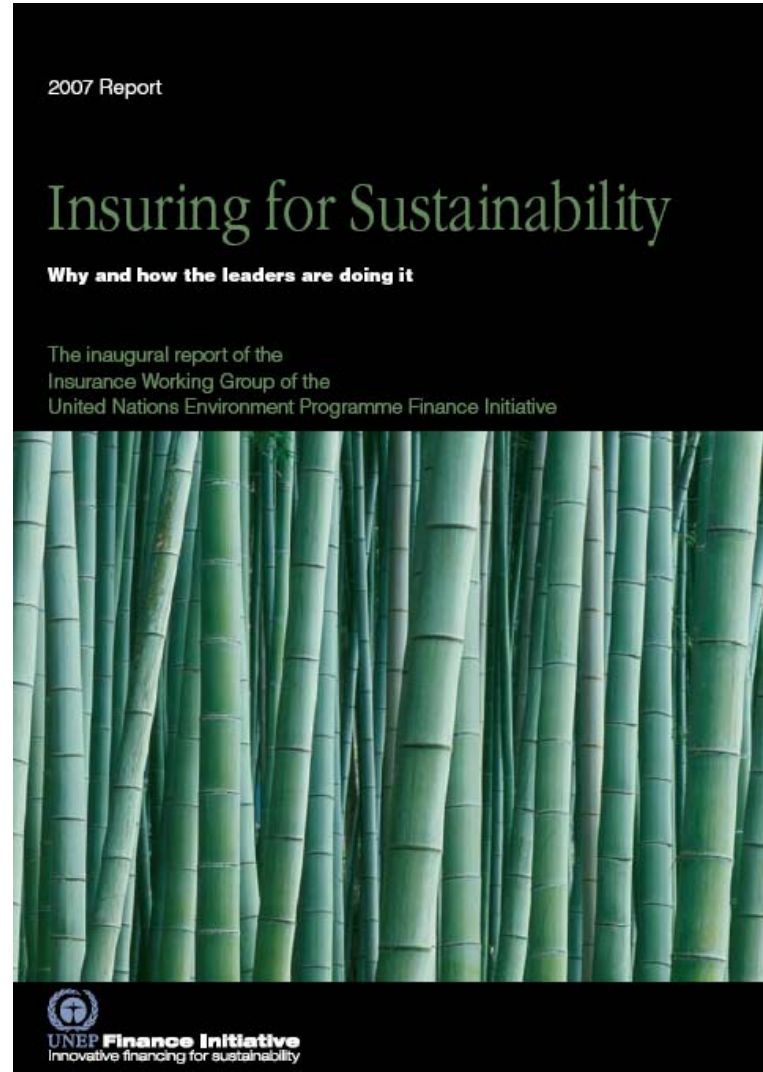
Example of a changing risk landscape

The safe operating space of 3 of 9 interlinked planetary boundaries have already been exceeded



Source:
Nature, Vol. 461
24 Sep 2009

Research foundation (2006-07)



- Agenda-setting report identifying ESG issues relevant to the insurance industry
- Case studies on insurance strategies, products and services addressing ESG issues

Examples of ESG issues relevant to the insurance business

- Climate risks and extreme weather events
- Natural catastrophe risks
- Disaster risk reduction
- Resource depletion
- Biodiversity loss and ecosystem degradation
- Water management and scarcity
- Food insecurity
- Pollution
- Human rights and labour standards
- Social and financial exclusion
- Emerging health risks and pandemics
- Ageing populations
- Regulations (building codes, workplace and product safety standards, environmental laws)
- Transparency and accountability
- Business principles and ethics
- Corruption
- Misaligned interests

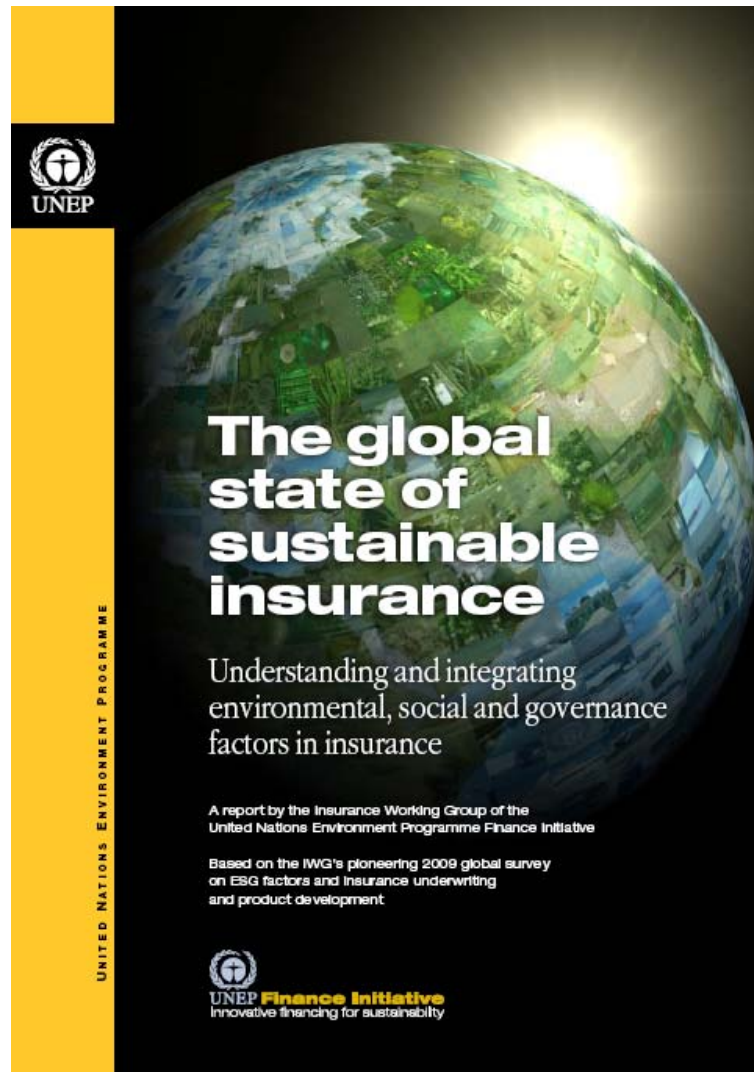
UN goals are linked to ESG issues

- UN Millennium Development Goals
- UN Convention against Corruption
- UN Convention on Biological Diversity
- UN Framework Convention on Climate Change
- UN Global Compact Principles
- UNEP Green Economy Initiative
- Universal Declaration of Human Rights
- Hyogo Framework for Action 2005-2015: “Building the resilience of nations and communities to disasters”
- ILO’s Declaration of Fundamental Principles and Rights at Work
- Rio Declaration on Environment and Development
- Rio+20 Outcome Document: “The future we want”

What is the role of the insurance industry in the context of:

- The international policy framework on disaster risk reduction?
- The international policy framework on climate change?
- The international treaty on mercury?
- The UN Sustainable Development Goals?

Research foundation (2008-09)



- First-ever global survey on ESG issues and the insurance industry
- Supported by leading academic institutions
- Supported by the UNEP Executive Director & HRH The Prince of Wales



Creating a pioneering global framework and global initiative



Phase 1 → The global framework

- Create **voluntary and aspirational global principles, including possible actions**, to better understand and manage risks and opportunities in the insurance business associated with environmental, social and governance issues

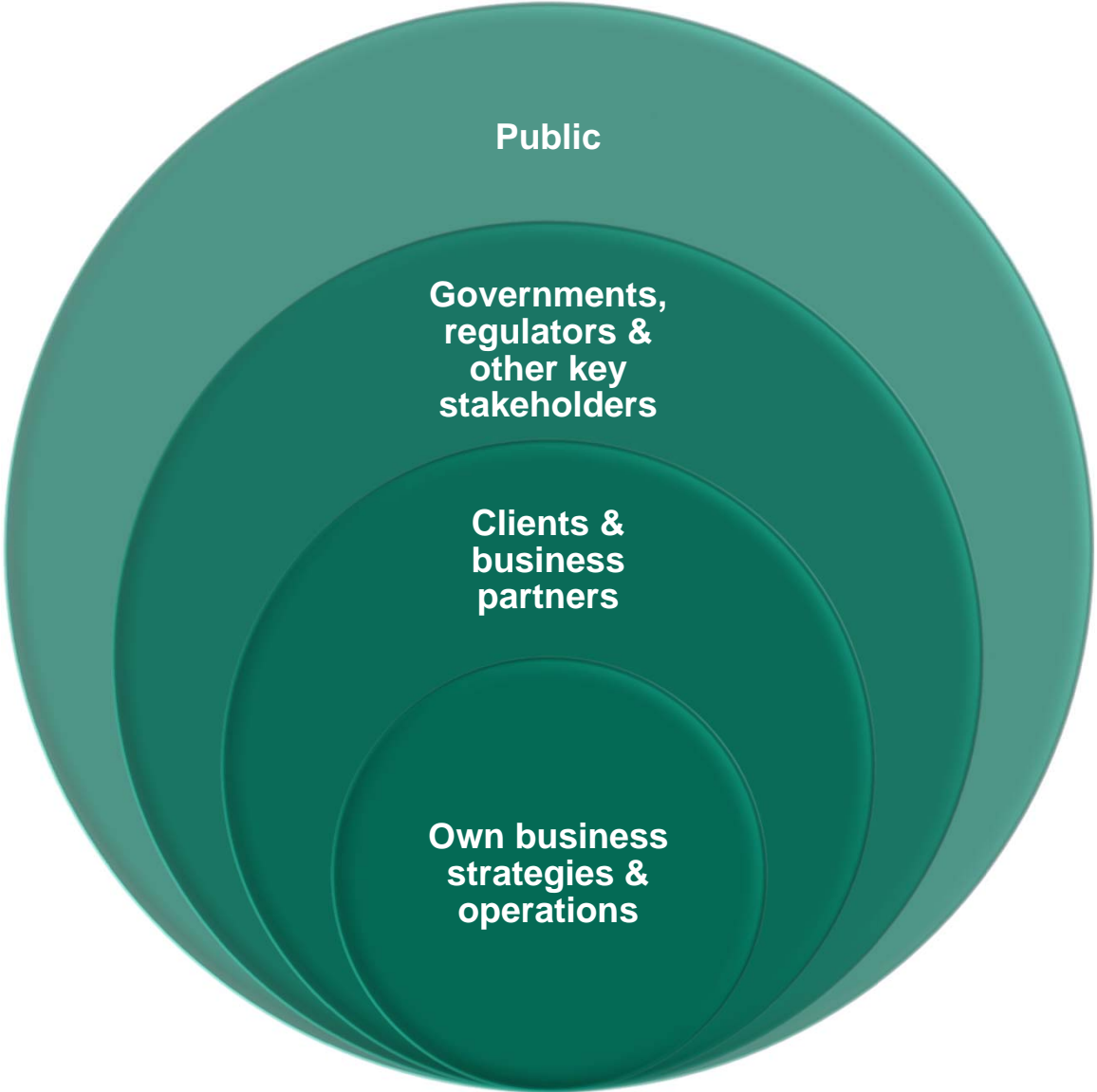
Phase 2 → The global initiative

- Create a **United Nations and global insurance industry initiative** to promote the global adoption and implementation of the Principles

The 2011 PSI development process: Global, inclusive and consultative



Sphere-of-influence structure of the Principles



The Principles:

A global sustainability framework



- 1 We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.**
- 2 We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, reduce risk and develop solutions.**
- 3 We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.**
- 4 We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.**

Global launch of the Principles

The insurance industry and sustainable development

19 June 2012, Rio de Janeiro, Brazil



PSI signatory companies



- **Represent over USD 500 billion in gross premiums written → more than 10% of world premium volume**

- **Represent over USD 5 trillion in combined total assets**

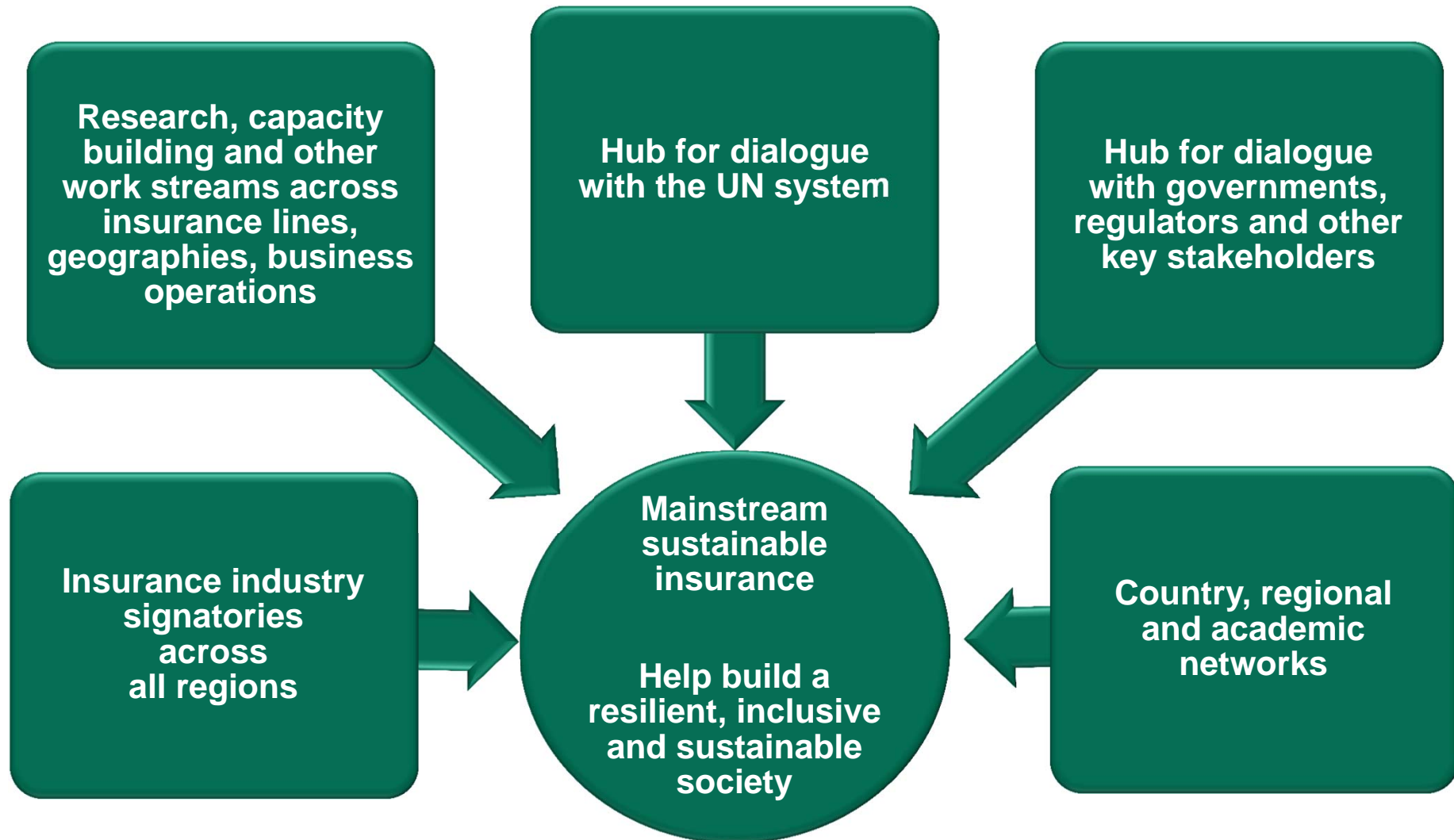
1. Achmea (Netherlands)
2. AEGON (Netherlands)
3. Atlanticlux (Luxembourg)
4. Aviva (UK)
5. AXA (France)
6. Bradesco Seguros (Brazil)
7. Continental Re (Nigeria)
8. Delta Lloyd (Netherlands)
9. HSBC Insurance (UK)
10. ING (Netherlands)
11. Insurance Australia Group (Australia)
12. Interamerican Hellenic Insurance Group (Greece)
13. Itau Seguros (Brazil)
14. La Banque Postale (France)
15. MAPFRE (Spain)
16. Macif (France)
17. Mitsui Sumitomo Insurance (Japan)
18. Mongeral AEGON (Brazil)
19. Munich Re (Germany)
20. Peak Re (China)
21. Porto Seguro (Brazil)
22. RSA Insurance Group (UK)
23. Sanlam (South Africa)
24. Santam (South Africa)
25. SCOR (France)
26. Seguradora Lider (Brazil)
27. Sompo Japan Insurance (Japan)
28. Sovereign (New Zealand)
29. Storebrand (Norway)
30. SulAmerica (Brazil)
31. Swiss Re (Switzerland)
32. TAL (Australia)
33. Terra Brasis Resseguros (Brazil)
34. The Co-operators Group (Canada)
35. Tokio Marine & Nichido Fire Insurance (Japan)
36. Zwitserleven (Netherlands)

PSI supporting institutions

1. Association of Insurers & Reinsurers of Developing Countries (Philippines)
2. Brazilian Insurance Confederation (CNseg) (Brazil)
3. Cadre d'Actions et de Recherche pour la Démocratisation de l'Assurance (CAREDas) (Senegal)
4. Finance Norway (Norway)
5. Financial Services Council of New Zealand (New Zealand)
6. Global Organizational Learning & Development Network for Sustainability (Belgium)
7. Insurance Association of the Caribbean (Barbados)
8. Insurance Commission of the Philippines (Philippines)
9. Insurance Council of Australia (Australia)
10. Insurance Council of New Zealand (New Zealand)
11. Insurance Institute for Asia & the Pacific (Philippines)
12. Insurance Institute of India (India)
13. Interamerican Federation of Insurance Companies (FIDES) (Peru)
14. International Cooperative & Mutual Insurance Federation (UK)
15. International Finance Corporation (US)
16. International Insurance Society (US)
17. Italian Banking, Insurance & Finance Federation (FEBAF) (Italy)
18. National Committee on International Cooperation & Sustainable Development (NCDO) (Netherlands)
19. Philippine Life Insurance Association (Philippines)
20. Philippine Insurers & Reinsurers Association (Philippines)
21. South African Insurance Association (South Africa)
22. University of Cape Town, Centre of Criminology (South Africa)

The PSI as an initiative

A UN and global insurance industry initiative to promote the adoption and implementation of the Principles



Message from the UN Secretary General



Ban Ki-moon

***“The Principles for Sustainable Insurance provide a global roadmap to develop and expand the innovative risk management and insurance solutions that we need to promote renewable energy, clean water, food security, sustainable cities and disaster-resilient communities.*”**

***“The United Nations looks forward to working with all sectors of society towards the global embrace of this important new initiative as we shape the future we want.”*”**