



Insuring for sustainable development

28 June 2019, Bonn

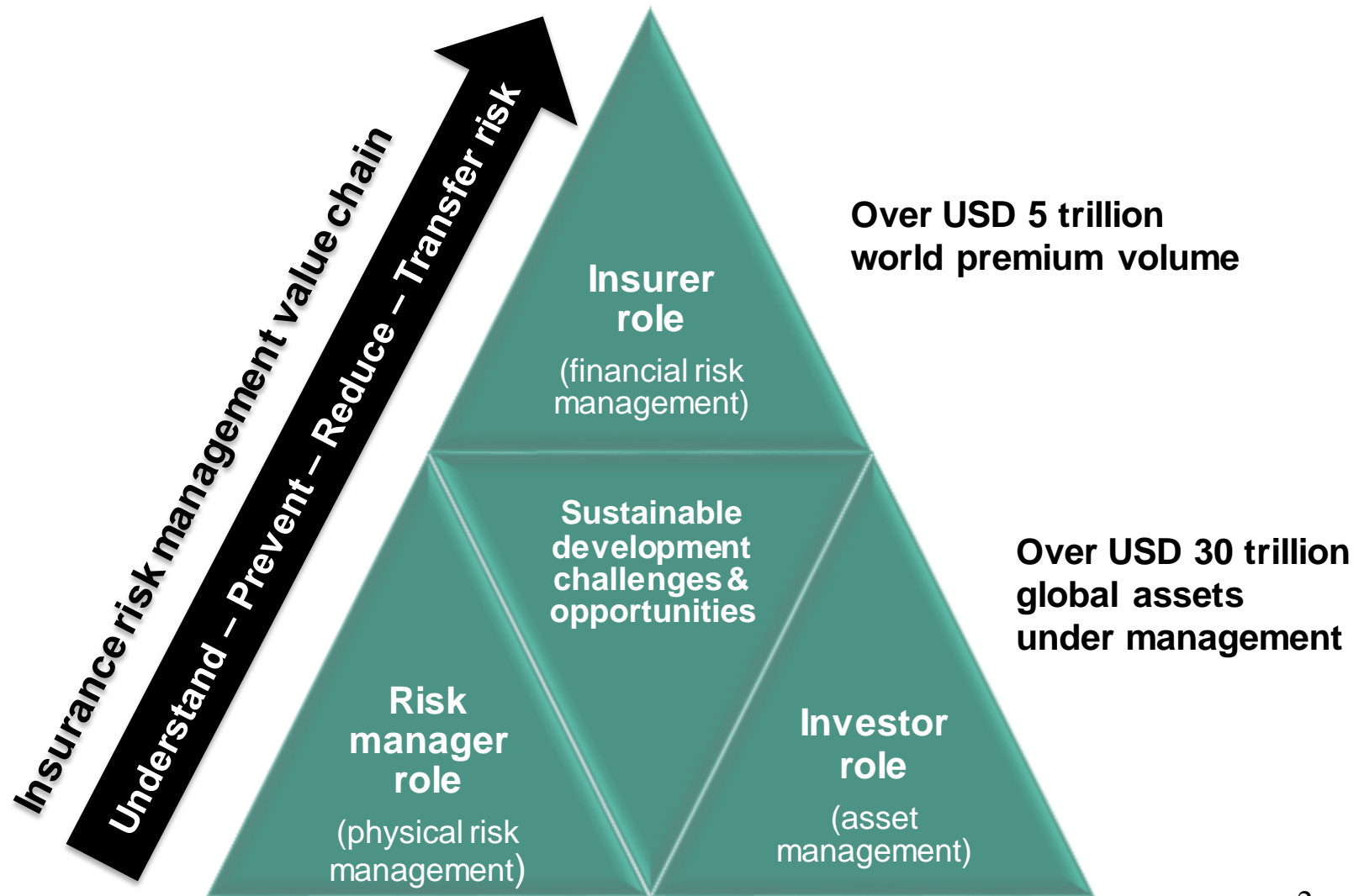
Butch Bacani
Programme Leader
UN Environment's Principles for Sustainable Insurance Initiative

The triple role of the insurance industry in sustainable development



PSI

Principles for Sustainable Insurance



The Insurance Industry Development Goals for Cities

A global action framework for the insurance industry to help make cities inclusive, safe, resilient and sustainable in line with UN Sustainable Development Goal 11

Key urban challenges and opportunities

- Goal 1: Build climate and disaster-resilient communities and economies**
- Goal 2: Promote healthy lifestyles and prevent pollution**
- Goal 3: Develop solutions for unserved people and enterprises**
- Goal 4: Protect natural and cultural heritage sites**
- Goal 5: Promote sustainable energy and resource efficiency**



Enabling factors

- Goal 6: Leverage data, risk analytics and technology**
- Goal 7: Promote risk management, insurance and financial literacy**
- Goal 8: Help develop climate and disaster risk management strategies and plans**
- Goal 9: Help develop sustainable insurance roadmaps for cities**
- Goal 10: Promote the Insurance Industry Development Goals for Cities**



Congrès mondial ICLEI
ICLEI World Congress 2018
19 au 22 juin • 19 - 22 June • Montréal, Canada

The Insurance Industry Development Goals for Cities



"This landmark initiative by the insurance industry and cities is an excellent example of the type of ambition and leadership needed to achieve the goals of the Paris Climate Change Agreement."

– Patricia Espinosa, Executive Secretary, UN Climate Change



"Through its risk management services, insurance solutions and investments, the insurance industry can strengthen its contribution to the global agenda of building resilient and sustainable cities. The Insurance Industry Development Goals for Cities provide a global framework to guide collaboration between insurers and local governments, and to accelerate action."

– Dr Joachim Wenning, CEO, Munich Re Group



"The insurance industry's core business is to manage risk, so it's well-positioned to support urban resilience and sustainability. We encourage our peers in the insurance industry to work together with local governments in promoting the adoption of the Insurance Industry Development Goals for Cities."

– Eric Andersen, Co-President of Aon



"Montréal is proud to host the ICLEI World Congress and the launch of the Insurance Industry Development Goals for Cities. These goals are a shared ambition between the insurance industry and local governments, and a shining example of leadership, innovation and collaboration for sustainable development."

– Valérie Plante, Mayor of Montréal

Lagos to develop a city sustainable insurance roadmap (April 2019)



Lagos:

- Over 21 million inhabitants
- Economic, financial and cultural heart of Nigeria, Africa's largest economy and most populous country
- Key sustainability risks → Flooding, sea-level rise, coastal erosion, disease outbreak, energy insecurity, infrastructure failure
- Leading Nigerian insurers to engage with local government authorities in Lagos to explore the development of a “city sustainable insurance roadmap”
- Strategy and action plan to help Lagos become resilient and sustainable
- Also, African insurers and key stakeholders to develop flood maps for Lagos, Accra, Mozambique and Mauritius to enhance climate risk management and build resilience

Insurers piloting the recommendations of FSB Task Force on Climate-related Financial Disclosures (TCFD)



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21 leading insurers: > 10% of world premium & USD 5 trillion assets

Will develop new generation of tools to assess climate-related physical, transition and liability risks



TOKIO MARINE

Leaders' sustainability perspectives



Oliver Bäte
CEO, Allianz Group

“Managing risks is at the heart of any insurer....we are proud to share our long-standing expertise in integrating sustainability into daily business with peers and partners, who might stand at the beginning of this important development.

“Driving a low-carbon and inclusive economy to secure our future only will succeed if all players are truly committed and create measurable contributions.”



Christiana Figueres
Convenor, Mission
2020 & former
Executive Secretary,
UN Climate Change

“The latest Intergovernmental Panel on Climate Change (IPCC) report shows that there’s a world of a difference—in terms of adverse economic, social and environmental impacts—between a world with an average temperature increase of 2 degrees since pre-industrial levels, and one with 1.5 degrees. As risk managers, insurers and investors, no industry has the capacity to keep us safe other than the insurance industry.

As financial scientists, we need the insurance industry to complete the IPCC report by translating the latest climate change science into the language of risk that the world can fully understand and tackle with radical collaboration and stubborn optimism.”

Insurers protecting World Heritage Sites



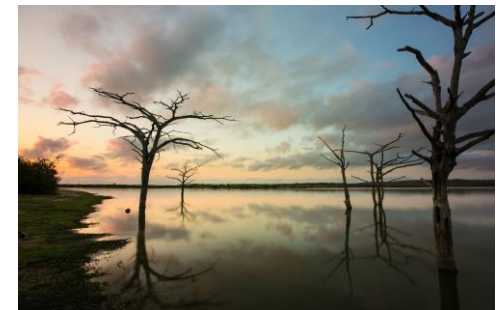
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United Nations
Educational, Scientific and
Cultural Organization



- Nearly 1,100 natural, cultural, and mixed World Heritage Sites across the globe.
- Natural World Heritage Sites provide economic, social and environmental benefits → but almost half are threatened by harmful industrial activities
- Commitment to protect World Heritage Sites across risk management, insurance and investment activities of the insurance industry
- Launched at 42nd Session of UNESCO World Heritage Committee in Bahrain (July 2018)
- PSI and WWF developing first-ever insurance industry guide to protect UNESCO World Heritage Sites across risk management, insurance and investment activities

Insurers tackling plastic pollution, marine plastic litter and microplastics



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- **Only 9% of the 9 billion tonnes of plastics ever produced have been recycled**, most of it ending in landfills, dumps and the environment
- **Plastic packaging → about half of world's plastic waste**
- Serious problem at a global scale, affecting **marine biodiversity, ecosystems, animal well-being, societies, livelihoods, fisheries, maritime transport, recreation and tourism, economies, human health, food safety**



PSI study to be launched in October 2019 at Our Ocean conference in Oslo:

- Understand how plastic pollution risks manifest across **insurance lines and investments**
- Identify strategies and actions for insurers to **better manage plastic pollution risks in terms of risk assessment and analytics, risk reduction measures, insurance products, and investments**

Examples of how the PSI is addressing sustainability issues and contributing to the UN Sustainable Development Goals through risk management, insurance and investment



Global partnership with the world's microinsurance community on inclusive insurance

Shaping the global sustainable insurance agenda through PSI market events

Developing national sustainable insurance & finance strategies & roadmaps

Insurance Industry Development Goals for Cities across risk management, insurance & investment

First global tobacco-free finance pledge

Supporting the G7, G20 and V20-backed InsuResilience Global Partnership

Supporting the UN Secretary-General's Climate Resilience Initiative (A2R)

Piloting the recommendations of the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD)



First global insurance industry statement to protect UNESCO World Heritage Sites

Sustainable Blue Economy Finance Initiative

First global insurance industry initiative to tackle plastic pollution, marine plastic litter & microplastics

First global guide to manage ESG risks in insurance underwriting

UN Secretary-General's Global Investors for Sustainable Development Alliance

PSI Life & Health Advisory Group

First global insurance industry statement and risk management guidelines to tackle illegal, unreported & unregulated fishing

First national insurance market commitment to climate risk transparency

UN Environment's Sustainable Insurance Forum for Supervisors

Vision of the PSI Initiative

“A risk-aware world, where the insurance industry is trusted and plays its full role in enabling a healthy, safe, resilient and sustainable society.”



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