

# UNEP FI Principles for Sustainable Insurance Initiative (PSI Initiative)<sup>1</sup>

Munich, November 2019

Launched at the 2012 UN Conference on Sustainable Development, the UNEP FI Principles for Sustainable Insurance serve as a global framework for the insurance industry to address environmental, social and governance (ESG) risks and opportunities.

At Munich Re we take pride in having played a vital role in developing and shaping the Principles. From the beginning of our commitment to the Initiative as a founding signatory throughout the present day Munich Re has been represented on the PSI Board and our experts contribute to the work of various PSI pilot projects and working groups.

For us, acting responsibly means creating added value – both for our Group and for society as a whole. This principle is strongly reflected in our shared-value approach, which forms the basis for our corporate responsibility strategy. Our business model as a reinsurer and primary insurer is based on responsible corporate governance. Part of this involves systematically integrating ESG criteria when creating value in our core business.

>> [CEO Statement](#)

The following examples are merely a small selection of our activities to illustrate where Munich Re (Group) sets focal points in living up to the Principles in its day-to-day business.

## Principle 1

**We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.**

For our core business, we have set ourselves a series of targets focusing on sustainability. Our aim is the consistent integration of ESG criteria into all processes at Munich Re in the fields of both insurance and investment management.

>> [Corporate responsibility in insurance business](#)

>> [Corporate responsibility in investment](#)

>> [Targets and measures anchored in roadmap](#)

<sup>1</sup> <https://www.unepfi.org/psi/vision-purpose/>

## Principle 2

**We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.**

One of the biggest challenges facing mankind is undoubtedly climate change. Munich Re was one of the first corporates, most certainly the first within the financial services industry, to warn of the risks of global warming. Hence, it is only logical and coherent that we aligned our business model in a way that allows us to develop solution-oriented responses to climate change.

### >> Solution-oriented responses to climate change

As part of our risk assessment, we examine the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD)<sup>2</sup>. Within the UNEP FI, Munich Re joined forces with 15 leading insurance companies in a pilot project to implement the TCFD recommendations. In the meantime the number of participating organisations has increased to 23, the objective remains unchanged: the development of modern risk assessment tools and industry-wide standards.

### >> UNEP FI PSI TCFD Insurer Pilot Group Announcement

Already in 2017 and earlier in the year 2018 Munich Re experts had contributed to studies and publications by the insurance industry's leading international think tank, The Geneva Association<sup>3</sup>.

### >> Climate Change and the Insurance Industry: Taking Action as Risk Managers and Investors

### >> Managing Physical Climate Risk—Leveraging Innovations in Catastrophe Risk Modelling

## Principle 3

**We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.**

Another proof of our commitment to the PSI Initiative is our active contribution to developing the first-ever global guide to manage ESG risks in non-life insurance underwriting.

### >> Commitment to the PSI Initiative

2018 saw the second phase of the project which involved a multi-lingual global ESG survey among insurance practitioners and its consolidation, analysis and review by the project team in the final phase. The guide was eventually unveiled at a PSI market event early in 2019 and was open for public consultation until recently.

### >> First ESG guide for the global insurance industry

<sup>2</sup> <https://www.fsb-tcfid.org/>

<sup>3</sup> <https://www.genevaassociation.org/>

## Principle 4

**We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.**

This brief notice serves to communicate the progress we have made in the year under review (1 January to 31 December 2018). An extensive overview of all activities can be found in our Corporate Responsibility Report which is accessible through Munich Re's corporate website.

[>> Corporate Responsibility Report](#)

[>> Corporate website](#)

[>> SRI ratings & indices](#)

An update for financial year 2019 will be published in due time.

**Renate Bleich**  
Head of Sustainability  
Munich Re  
[responsibility@munichre.com](mailto:responsibility@munichre.com)

N.B.: Hyperlinks in this document refer to pages in our Corporate Responsibility Report of which this notice is deemed to be an integral part. Links also refer to Munich Re's corporate website and to other pages in the public domain which may be updated at irregular intervals.