

# Reducing the risk for tomorrow

[www.climatewise.org.uk](http://www.climatewise.org.uk)



**The global collaboration  
of leading insurers  
focused on reducing the  
risks of climate change**

An initiative facilitated by



**UNIVERSITY OF  
CAMBRIDGE**

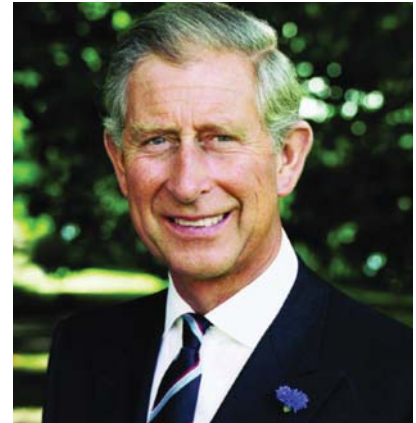
PROGRAMME FOR  
SUSTAINABILITY LEADERSHIP

# The ClimateWise Story

In 2006, the Chief Executives of a dozen leading international insurers came together in London. They agreed a common goal: the urgent need to work individually and collectively to reduce the risks faced by their businesses, customers and wider society caused by the effects of climate change.

The group agreed three objectives if the insurance industry was to deliver a response to climate change that was sufficiently ambitious, holistic and robust:

1. To bring together the leaders of the insurance industry from right around the world – **a truly global response**
2. To create a **framework** for any insurance company to build a **holistic climate change strategy** into their business operations
3. To build a platform for **new collaboration** to tackle the industry and system-wide issues they would face.



And so, in 2007, HRH The Prince of Wales was delighted to launch the ClimateWise Principles: a set of six detailed commitments designed by the insurance industry in consultation with leading academics and NGOs. All ClimateWise members agreed to implement the ClimateWise Principles, working individually and collectively, and report publicly on their progress every year.

Since 2007, ClimateWise has seen its membership expand internationally as leading insurers from around the world join the journey. New collaborations to deepen understanding and foster action around the industry and system-wide challenges have been devised and the membership's collective ambition to reduce climate risks continues to grow.

*“I launched the ClimateWise Principles in 2007 to encourage the insurance industry to take a more holistic approach to the issue of climate change and to provide a common platform for further collaborative action.”*

**HRH The Prince of Wales**

## Why do insurers care about climate change?



The world's climate is changing, and the scientific community is overwhelmingly of the view that emissions brought about by mankind are a significant driver of these changes. There is no industry better placed to take an objective, global view of the physical, financial and social risks and challenges posed by climate change than the insurance industry; we enable businesses and individuals to manage risk of all types, including long-term threats such as climate change.

The long-term sustainability of our global economy depends on an appropriate response to climate change. Indeed, we are already seeing significant social and economic, not to mention financial, impacts of our changing climate, which is raising fundamental questions about whether today's risks will be insurable tomorrow.

So it is to the benefit of all that we incorporate climate change risks and the need for mitigation into our business strategies. Together, the insurance industry has the expertise in risk analysis and the experience in risk management to help and influence governments and customers to manage climate risks. Meanwhile, individual insurers are now grasping the business opportunities offered by leading the response to this global challenge.

# What do ClimateWise members do?

## Individual action

Members work to implement the ClimateWise Principles across their business operations and publish an annual report to evidence actions taken.

## New collaborations

Members identify issues where progress is most likely to be successful if action is taken at the industry or system level. They then create collaborations with appropriate experts to deepen understanding and deliver ways forward. Collaborations have already focused on:

- reducing the environmental costs of the claims process
- increasing customer resilience to weather events and reducing losses
- reducing the vulnerability of the developing world to weather extremes

- protecting people from health risks brought about by climate change
- creating new public-private investment opportunities to support a low climate risk world.

## Collective influence

Members have issued collective statements to influence key international policy-making fora, such as the United Nations Framework Convention on Climate Change (UNFCCC).

## Share knowledge

ClimateWise organises regular events for members to raise awareness about actions being taken, lessons being learned and connect with experts from within the industry and beyond.

## Industry led

The ClimateWise membership is drawn exclusively from the insurance industry and includes non-life and life insurers, reinsurers, intermediaries, risk modellers and professional bodies from around the world. Membership is led from the Company Board level and supported by senior practitioners from across the organisation.

ClimateWise members work openly with policy-makers, the scientific and academic communities and civil society to raise awareness of, and deliver actions against, the issues articulated by the ClimateWise Principles.

ClimateWise is a voluntary initiative, driven by its members and facilitated on a not-for-profit basis by the University of Cambridge Programme for Sustainability Leadership (CPSL), which provides the Secretariat.

## Why are we a member?



"ClimateWise brings together those of us in insurance who want to add business value today and to ensure that the industry we work in addresses fundamental long-term issues. With this network of like-minded individuals and organisations on a similar journey, we can tease out and drive forward these issues. The collective learning is truly valuable."

Vanessa Otto-Mentz, Head of Strategy, Santam, Cape Town

## A global membership



# The ClimateWise Principles

ClimateWise members are committed to ensuring ClimateWise delivers real benefits and believe that putting climate risk at the heart of the business strategy, with Company Board approval and engagement, will deliver tangible results.

Members also believe that public reporting is critical, both to ensure that companies are complying with their responsibilities, and to share good practice within the industry and with external stakeholders.

Working individually and collectively to reduce the economy's and society's long-term risk from climate change, and within the confines of a competitive market, all ClimateWise members commit to:

## 1 Lead in risk analysis

- Support and undertake research on climate change to inform our business strategies and help to protect our customers' and other stakeholders' interests
- Support more accurate national and regional forecasting of future weather and catastrophe patterns affected by changes in the earth's climate
- Use research and improve data quality to inform levels of pricing, capital and reserves to match changing risks
- Evaluate the risks associated with new technologies for tackling climate change so that new insurance products can be considered in parallel with technological developments
- Share our research with scientists, society, business, governments and NGOs through an appropriate forum.

## 2 Inform public policy making

- Work with policy makers nationally and internationally to help them develop and maintain an economy that is resilient to climate risk
- Promote and actively engage in public debate on climate change and the need for action
- Support work to set and achieve national and global emissions reduction targets
- Support Government action, including regulation, that will enhance the resilience and reduce the environmental impact of infrastructure and communities
- Work effectively with emergency services and others in the event of a major climate-related disaster.

## 3 Support climate awareness amongst our customers

- Inform our customers of climate risk and provide support and tools so that they can assess their own levels of risk
- Encourage our customers to adapt to climate change and reduce their greenhouse gas emissions through insurance products and services
- Increase the proportion of repairs that are carried out in a sustainable way through dialogue with suppliers and developers and manage waste material appropriately
- Consider how we can use our expertise to assist the developing world to understand and respond to climate change.

## 4 Incorporate climate change into our investment strategies

- Consider the implications of climate change for company performance and shareholder value, and incorporate this information into our investment decision-making process
- Encourage appropriate disclosure on climate change from the companies in which we invest
- Encourage improvements in the energy-efficiency and climate resilience of our investment property portfolio
- Communicate our investment beliefs and strategy on climate change to our customers and shareholders
- Share our assessment of the impacts of climate change with our pension fund trustees.

## 5 Reduce the environmental impact of our business

- Encourage our suppliers to improve the sustainability of their products and services
- Measure and seek to reduce the environmental impact of the internal operations and physical assets under our control
- Disclose our direct emissions of greenhouse gases using a globally recognised standard
- Engage our employees on our commitment to address climate change, helping them to play their role in meeting this commitment in the workplace and encouraging them to make climate-informed choices outside work.

## 6 Report and be accountable

- Recognise at Company Board level that climate risk has significant social and economic impacts and incorporate it into our business strategy and planning
- Publish a statement as part of our annual reporting detailing the actions that have been taken on these principles.



### Why are we a member?

"The ClimateWise Principles set a clear agenda for the management of climate change risk within the insurance industry. The requirement to report against progress annually, and the fact that these statements are independently reviewed are their greatest strength. Climate Change is a threat to the long term stability of human society, insurers are playing their part to encourage adaptation and mitigation of the risks."

Trevor Maynard,  
Deputy Head of Exposure Management,  
Lloyd's, London

# What does ClimateWise membership deliver?



## Commitments of membership

### All ClimateWise members:

1. Commit at Board level to implement the ClimateWise Principles across their business operations
2. Publish an annual statement to evidence steps taken to implement the ClimateWise Principles
3. Pay annual membership fees, proportionate to the size of their business
4. Consider voluntary participation in appropriate collaborative activities that are of benefit to them.

## Why are we a member?



Andreas Spiegel, Vice President,  
Risk Management, Swiss Re, Zurich

"On the policy level, ClimateWise is increasingly recognised as the insurance advocacy group, consolidating industry wide views on climate change. On a number of occasions they helped us to advocate for global emission reduction policies and inclusion of insurance solutions into adaptation financing."

*“We are eager to hear from all insurance industry organisations which believe that both the ClimateWise Principles and all this initiative offers its members would be of benefit to them.”*

**Andrew Torrance**  
**Chairman, ClimateWise**  
**and CEO, Allianz UK**

## **Why are we a member?**



"Our company doesn't just hope for a world where climate risk is better managed, we want to deliver concrete actions that create that world through our investments, our customer proposition and our risk management. The partnership that ClimateWise offers allows us to make much more progress against this goal."

**Tom Anders Stenbro,**  
**CSR Advisor,**  
**Tryg, Bergen**

**ClimateWise** is facilitated by the University of Cambridge Programme for Sustainability Leadership (CPSL), which works with business, government and civil society to build leaders' capacity to meet the needs of society and address critical global challenges. CPSL's seminars, leadership groups and partnerships with those who make or influence decisions are designed to transform public and private sector policies and practices and build greater understanding of our interdependence with one another and the natural world. CPSL is a member of The Prince's Charities, and HRH The Prince of Wales is its patron.  
**[www.cpsl.cam.ac.uk](http://www.cpsl.cam.ac.uk)**

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Printed using alcohol-free technology and vegetable-based inks.  
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