

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