



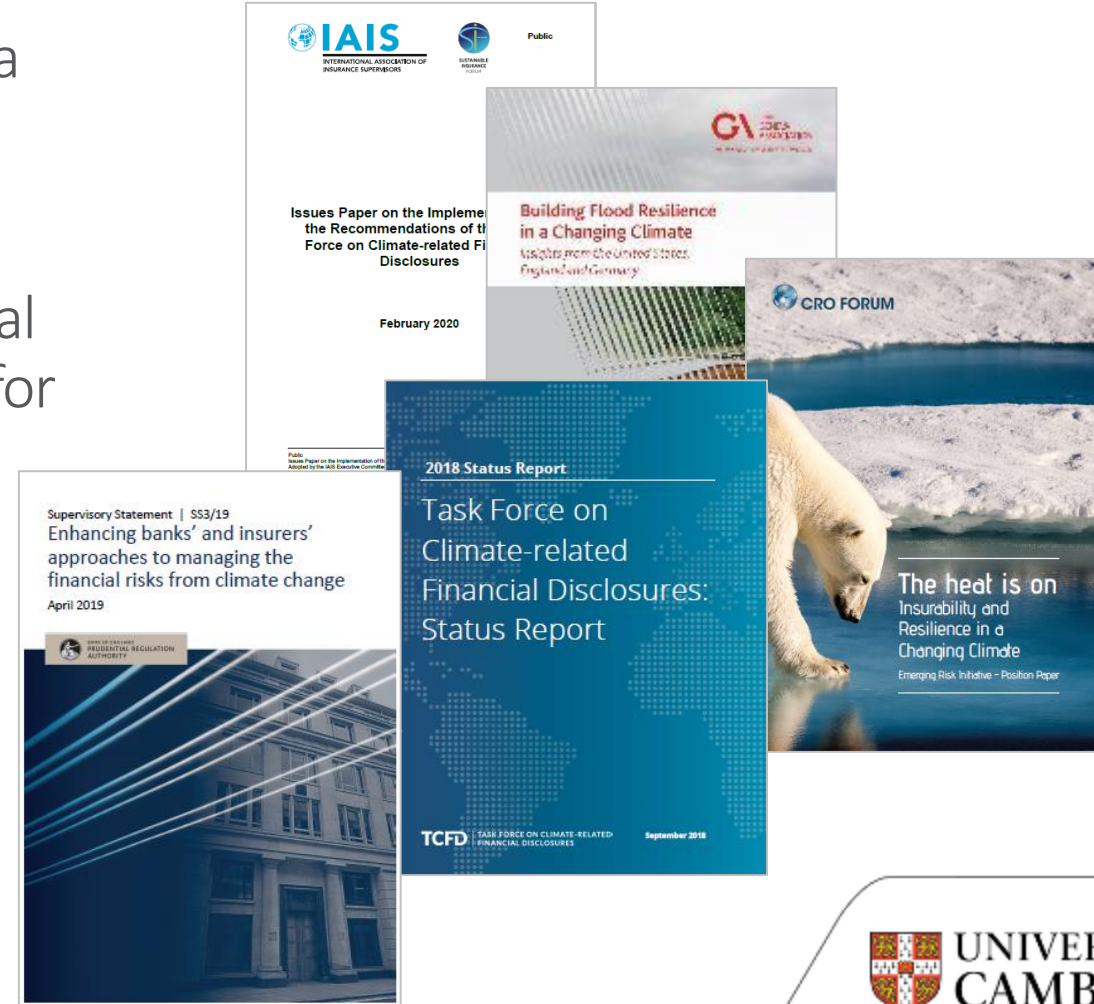
Insurance and Climate Action Lunch & Learn Webinar



Dr Bronwyn Claire, ClimateWise

Insurance market and regulation

- The global insurance community is facing a turning point.
- Aim to mitigate systematic risk to the global economy and to ensure robust strategies for companies and governments.

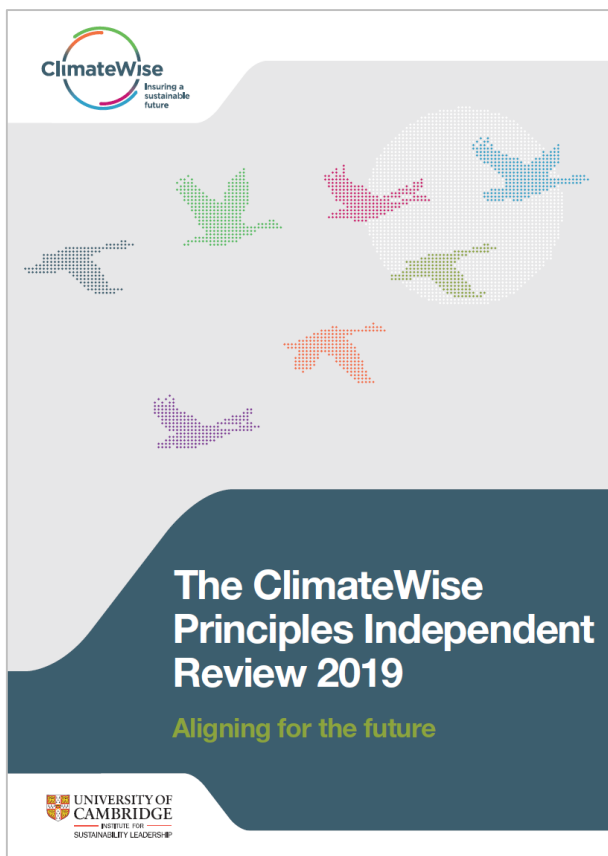


Sources: IAIS, Geneva Association, TCFD, CRO Forum, Bank of England

Implications of climate change for insurer's investments



The ClimateWise Principles



Principle 1
Be accountable

Principle 2
Incorporate climate-related
issues into our strategies and
investments

Principle 3
Lead in the identification,
understanding and management
of climate risk

Principle 4
Reduce the environmental impact
of our business

Principle 5
Inform public policy making

Principle 6
Support climate awareness
amongst our customers/clients

Principle 7
Enhance reporting

Poll questions

1. Where do you get company news on responding (or not) to climate risk?

News services e.g. The Financial Times

Company reports e.g. Annual Report or Sustainability Report

Rating agencies e.g. Dow Jones Sustainability Index

Personal communications e.g. through network

2. Are your views of a company and related business decisions influenced by this news?

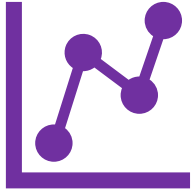
Not currently

Supplier due diligence

Customer offerings and relationship management

Investment criteria

P2. Incorporate climate-related issues into our strategies and investments

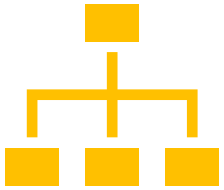


- Identify priority climate-related risks and how these risks impact business, strategy and financial planning.



- Examples of recurring risks disclosed by members are physical risks such as more frequent and extreme weather events, which can lead to weather-related losses, or transition risks, including market and consumer choice changes, impacting the type of products offered by members.

P1. Be accountable



- Governance structures in place to address and incorporate climate change issues into decision-making at the board and management level.

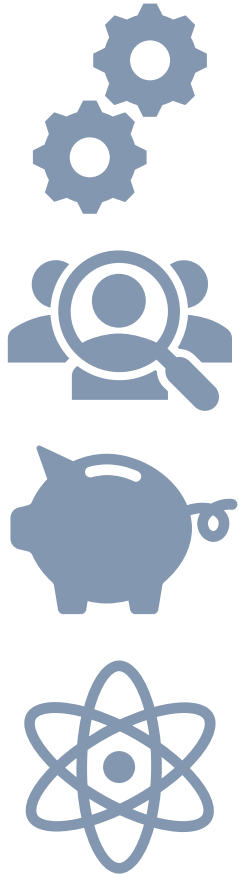


- Board level sustainability, climate change or ESG board committees that oversee climate-related risks and opportunities.



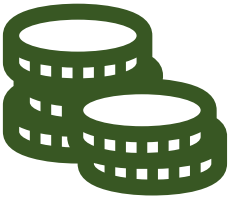
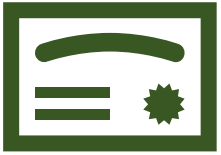
- Management has climate-related responsibilities assigned to specific positions or committees, such as the sustainability committee, risk committee or sustainability manager.

P3. Lead in the identification, understanding and management of climate risk



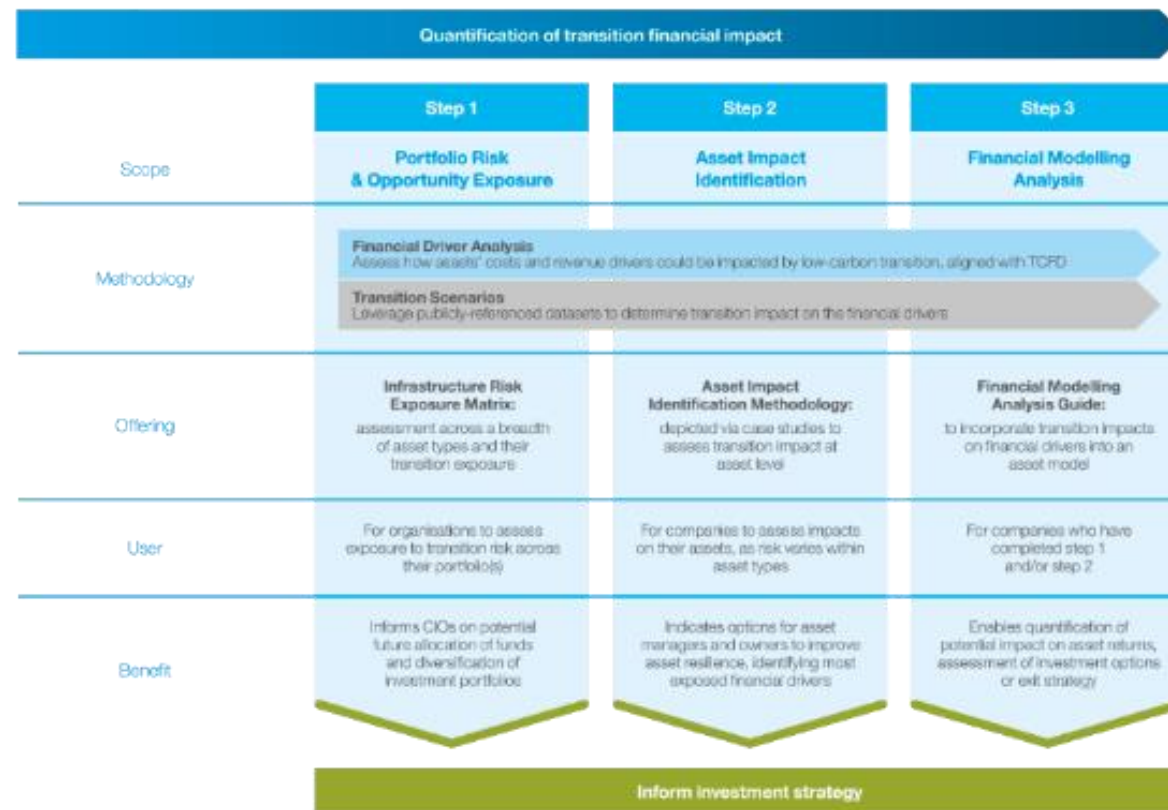
- Processes for identifying, assessing and managing climate-related risks are integrated throughout their organisations.
- Underwriting uses tools to monitor physical risks and management networks to facilitate discussions and decision-making.
- Investors look into the carbon intensity of portfolios, considering the implications of physical and transition risks.
- Research and develop insurance products to support climate adaptation and mitigation initiatives.

P7. Enhance reporting



- Reporting on climate-related issues through incorporating elements of their ClimateWise report into their annual filings.
- Includes forming part of their TCFD response by providing details of how climate-related risks and opportunities are governed; incorporated into strategy and risk management processes; and monitored and addressed or reduced through metrics and targets.

ClimateWise Transition risk framework



Small group questions

1. Does your CRO and risk management team ask questions about climate risk?

Part of our Enterprise Risk Management

Adhoc review happened recently

Announcement of plans and future action

Maybe someone mentioned climate, but nothing formal yet

2. Has Covid-19 altered your risk management approach for other issues?

Yes, we're rethinking what risk exposure and resilience mean for our business

A bit, but we're waiting to make big changes

No, it was already flexible and responsive to emerging risks

For further information please contact:

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