



United Nations Environment Programme

برنامج الأمم المتحدة للبيئة • 联合国环境规划署
PROGRAMME DES NATIONS UNIES POUR L'ENVIRONNEMENT • PROGRAMA DE LAS NACIONES UNIDAS PARA EL MEDIO AMBIENTE
ПРОГРАММА ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ ПО ОКРУЖАЮЩЕЙ СРЕДЕ

Finance Initiative

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Statement of Environmental Commitment by the Insurance Industry

The insurance industry recognizes that economic development needs to be compatible with human welfare and a healthy environment. To ignore this is to risk increasing social, environmental and financial costs. Our Industry plays an important role in managing and reducing environmental risk, in conjunction with governments, individuals and organizations. We are committed to work together to address key issues such as pollution reduction, the efficient use of resources, and climate change. We endeavour to identify realistic, sustainable solutions.

1. General Principles of Sustainable Development

1.1 We regard sustainable development, defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs, as a fundamental aspect of sound business management.

1.2 We believe that sustainable development is best achieved by allowing markets to work within an appropriate framework of cost efficient regulations and economic instruments. Government has a leadership role in establishing and enforcing long term priorities and values.

1.3 We regard a strong, proactive insurance industry as an important contributor to sustainable development, through its interaction with other economic sectors and consumers.

1.4 We believe that the existing skills and techniques of our industry in understanding uncertainty, identifying and quantifying risk, and responding to risk, are core strengths in managing environmental problems.

1.5 We recognize the precautionary principle, in that it is not possible to quantify some concerns sufficiently, nor indeed to reconcile all impacts in purely financial terms. Research is needed to reduce uncertainty but cannot eliminate it entirely.

2. Environmental Management

2.1 We will reinforce the attention given to environmental risks in our core activities. These activities include risk management, loss prevention, product design, claims handling and asset management.

2.2 We are committed to manage internal operations and physical assets under our control in a manner that reflects environmental considerations.

2.3 We will periodically review our management practices, to integrate relevant developments of



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environmental management in our planning, marketing, employee communications and training as well as our other core activities.

2.4 We encourage research in these and related issues. Responses to environmental issues can vary in effectiveness and cost. We encourage research that identifies creative and effective solutions.

2.5 We support insurance products and services that promote sound environmental practice through measures such as loss prevention and contract terms and conditions. While satisfying requirements for security and profitability, we will seek to include environmental considerations in our asset management.

2.6 We will conduct regular internal environmental reviews, and will seek to create measurable environmental goals and standards.

2.7 We shall comply with all applicable local, national and international environmental regulations. Beyond compliance, we will strive to develop and adopt best practices in environmental management. We will support our clients, partners and suppliers to do likewise.

3. Public Awareness and Communications

3.1 Bearing in mind commercial confidence, we are committed to share relevant information with our stakeholders, including clients, intermediaries, shareholders, employees and regulators. By doing so we will improve society's response to environmental challenges.

3.2 Through dialogue with public authorities and other bodies we aim to contribute to the creation of a more effective framework for sustainable development.

3.3 We will work with the United Nations Environment Programme to further the principles and goals of this Statement, and look for UNEP's active support.

3.4 We will encourage other insurance institutions to support this Statement. We are committed to share with them our experiences and knowledge in order to extend best practices.

3.5 We will actively communicate our environmental activities to the public, review the success of this Statement periodically, and we expect all signatories to make real progress.