

The logo for Terra Brasis Resseguros is a large, light gray graphic composed of several curved, overlapping segments that form a stylized, abstract shape resembling a fan or a series of curved lines. The text "TERRA BRASIS" is written in a bold, black, sans-serif font, with "RESSEGUROS" in a smaller, brown, sans-serif font directly below it.

TERRA BRASIS
RESSEGUROS

The Principles for Sustainable Insurance (PSI)
PSI Disclosure Report 2013

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Introduction

Terra Brasis is committed to the highest level of corporate governance and environmental and social sustainability. The presence of the International Finance Corporation (IFC), the private investment arm of The World Bank Group, as one of our Shareholder, attests to our competence to these principles.

One of Terra Brasis' pillars is a compromise to incorporate principles of Environmental and Social Sustainability into its operations, positioning the Company as an example in Corporate Responsibility. The wish to incorporate these actions in the company's daily activities, consolidating this philosophy across all employees and contributors, was one of the major incentive for Terra Brasis to be the first Brazilian Reinsurer to adopt the PSI directives.

It is a great pleasure to make part in this initiative and our aim is to effectively contribute for the project's progress, in partnership with all signatory companies, through actions that provide benefits for the entire society and, in special, for the environmental.

Since its foundation in 2010, Terra Brasis has invested in a highly qualified and motivated team, banded by great standards of corporate governance. Although Terra Brasis be a young company, our way has worked, respect the people and environmental, has been fundamental for all progress achieved. Throughout this report we intention to show this practices. Despite our relative short period of operation, Terra Brasis has established a mean full footprint on the Brazilian market, following our principles. Some of the highlights of our progress include:

- Currently in the process of obtaining ISO 14001 certification – Environmental Management;
- Developed an internal Electronic Reinsurance System;
- Offered training to clients and partners;
- Developed Guidelines for each Line of Business;
- Established a Research Team, publishing the magazine Terra Report, among others;
- Pioneer development of the Brazilian Catastrophe Map –With this report we won the second place at CNSeg Antonio Carlos de Almeida Braga Innovation on Insurance Awards by has identification with Principle 2 of the PSI.

Our first year of operation, 2013, was marked by great challenges, but many achievements and victories too. Our goal is to continue to build on our success, always following sustainable practices.

1. Basic information

1.1. Terra Brasis

Terra Brasis is a local reinsurance company founded on September 20, 2010, with Susep - Brazilian Insurance Superintendence final license and operations launched on October 4, 2012.

TERRA BRASIS RESSEGUROS mission is to be the preferred option for the local Insurers, sharing with them challenges and projects, being a partner in all moments and economic scenarios. TERRA BRASIS RESSEGUROS offers innovative solutions for the Brazilian market and adds knowledge, qualified service, responsibility in the management of risks and the highest standard of corporate governance.

1.2. Sustainable practices

Terra Brasis Re is committed to using its knowledge and access to the Brazilian reinsurance market to highlight the importance of adopting sustainability as a permanent attitude in business. Hence, Terra Brasis Resseguro became a signatory of the Principles for Sustainable Insurance (PSI), launched by the United Nations Environment Program Finance Initiative (UNEP FI). Terra Brasis believes in the observance of the PSI and other social and environmental practices, in order to improve the quality of life of their employees, partners and clients. Such goals should be achieved through internal practices, such as research and training, focus on awareness and learning of all individuals involved and the expansion of these actions to the entire insurance and reinsurance market, adding positive values to the industry. Reaching the objective

Terra Brasis Re believes it is paramount to have a deep understating of the environmental and social impacts, and the reputational risks they may entail, of each and every risk taken up with each business transaction,



2. Principles for Sustainable Insurance – PSI

On February 8th, 2013, Terra Brasis Resseguros became the first Brazilian reinsurer signatory of the Principles for Sustainable Insurance, launched by the United Nations Environment Programme Finance Initiative (UNEP FI).

2.1. Principle 1

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

We are implementing a Social & Environmental Management System (SEMS) in a partnership with IFC – International Finance Corporation, the private investments arm of the World Bank Group. In May 2011, the IFC made public its intention to join Terra Brasis Re as a minority shareholder, which effectively occurred on December 26, 2012. The addition of such well respected shareholder attests the competence and high standard of governance that are being developed within Terra Brasis Resseguros.

The keys aspects of this project and Terra Brasis' progress are highlighted below:

First Step – Investment in our team to achieve an internal sustainable culture.

Terra Brasis Re believes in its team's potential and it will always strive to improve their professional and personal Life, seeking to form better people in all aspects. A good example is its Weekly Sustainability Journal, with tips about ESG issues.

Second Step – To promote aware behavior in all society

Terra Brasis underwriting guidelines incorporates principles of respect to the human rights, environment, National laws and regulations.

Third Step – ISO 14001

We are implementing ISO 14001, an internationally recognized environmental management standard. The ISO 14001 standard includes all of the elements needed to develop an environmental management system in our organization.

Fourth Step – Activity exclusion list

An activity exclusion list has been implemented in accordance with IFC's standards, obligating underwriting process to be in accordance with social and environmental principles.

Fifth Step – Research Area

Terra Brasis established an research and market intelligence group, wich develop studies focused on (re) insurance and focus on the Brazilian Market. The ultimate goal of the group is to foster knowledge, contributing to the development of themarket, consequently benefiting society as a whole.



2.2. Principle 2

Terra Brasis is committed to working together with our clients and business partners to raise awareness of environmental, social and governance issues, to manage risks and to develop solutions.

Clients and Business Partners

Terra Brasis has a commitment to do only ethical and transparent business, aligning itself to insurers, reinsurers and other business partners that respect human rights, the environment, and the National laws and regulations.

Within its business process, Terra Brasis Re continually analyses the track record of its clients and business partners, their profile, social and environmental responsibility and finance.

Below is a list of sustainable actions performed by Terra Brasis' clients:

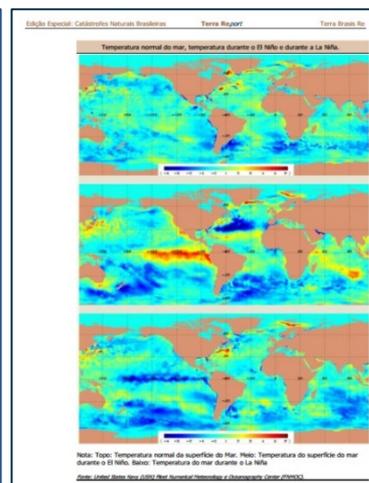
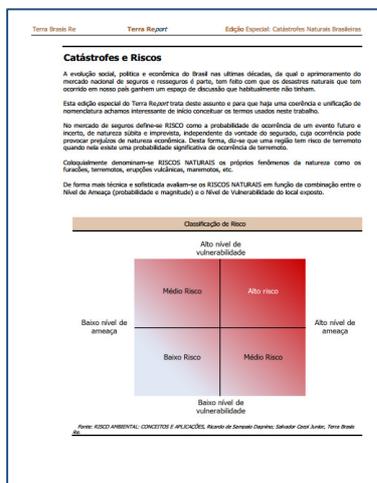
- Development of the human capital
- Preservation of the environment
- Support the community, aiming at social transformation
- Studies about the climate change
- Recycling

These points illustrate the commitment of our clients to social and environmental issues. Moreover, those actions are essential to stimulate sustainable business and to promote changes.

Our Actions

Terra Brasis stimulates sustainable actions through studies developed by its Research group. We have a special interest on Brazilian Natural Catastrophes, a subject that is gradually gaining prominence, but still needs to be more debated, culminating in beneficial solutions for all Brazilian society.

Terra Report – Special Edition # 1 - Brazilian Natural Catastrophes



Access full document: <http://www.terrabrisas.com.br/en/Report/>

Terra Report – Special Edition # 1 – Map of Brazilian Natural Catastrophes



Access the map: <http://www.terrabrisas.com.br/Content/pdf/TerraReport201308E.pdf>

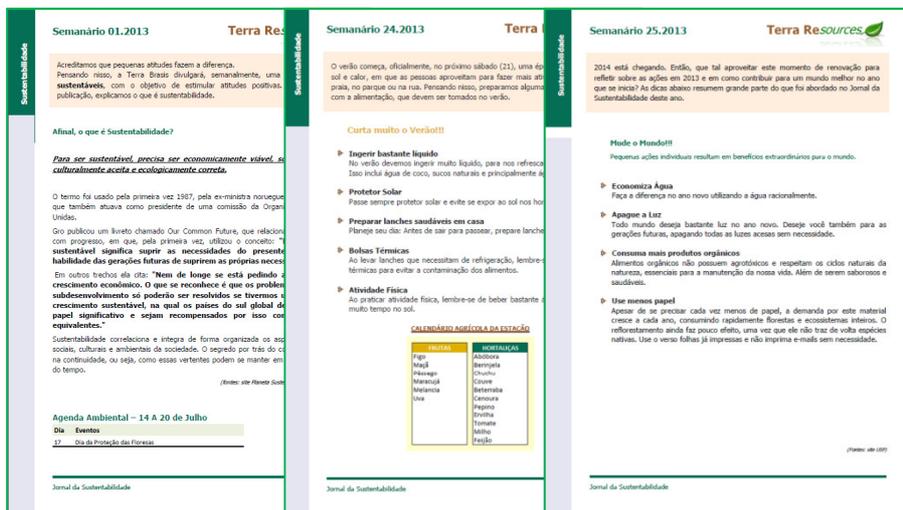
These publications Terra Brasis won the second place at CNSeg Antonio Carlos de Almeida Braga Innovation on Insurance Awards, the most important event of the Brazilian Insurance Industry

Terra Brasis full team is involved in understanding the impacts of environmental and social considerations on financial performance.

Below follows some internal procedures adopted in 2013 by Terra Brasis:

- (i) Organized lectures with experts about the theme
- (ii) Established a policy of mandatory 2-side printing
- (iii) Implemented an Environmental calendar, with educative texts on special days
- (iv) Developed a Weekly Sustainability Journal
- (v) Established a Social & Environmental Management System (SEMS)

Weekly Sustainability Journal



2.3. Principle 3

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

Terra Brasis's Brazilian Natural Catastrophes Map (2010-2012)

In 2013, Terra Brasis published the first Brazilian Natural Catastrophes Map developed by a insurer or reinsurer in Brazil, with data that reflects occurrences in Brazilian Municipalities that underwent an Emergency Situation and/or State of public calamity between 2010 and 2012, attempting to identify, in a clear and objective way, the places that are more susceptible to natural catastrophes.

The goal of this initiative is to contribute to increase debate and foster interest on the theme, encouraging public and private investments aimed at preventing, reducing and transferring catastrophic risks of the Brazilian market and culminating in beneficial solutions not only for the insurance and reinsurance market, but also for the Brazilian society as a whole.

The scope of these projects developed by Terra Brasis Re, can be illustrated by the mailing list statistic shown below.

Types		Countries	
Insurer	248	Brazil	573
Reinsurer	156	United States	43
Reinsurance broker	92	England	40
Others	90	Germany	15
Financial market	54	Bermuda	15
Journalist	26	Switzerland	9
Regulatory Agencies	19	Qatar	4
Consultancy	15	China	4
Law firm	11	Argentina	3
Rating agency	10	India	3
Insurance broker	10	Ireland	3
Total	731	Mexico	3
		Belgium	2
		Chile	2
		Caribbean	2
		Denmark	1
		Equator	1
		Spain	1
		France	1
		Nigeria	1
		Portugal	1
		Singaporean	1
		Thailand	1
		Ukraine	1
		Uruguay	1
		Total	731



Industry Events

Terra Brasis' team has been participating in conferences, seminars, and workshops that promote PSI and other ESG issues.

2.4. Principle 4

Terra Brasis is committed to demonstrating accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

This report constitutes our commitment in demonstrating accountability and transparency in regularly disclosing publicly our progress in implementing the Principles over the last year, in line with Principle 4.

