Protecting our world heritage: The insurance industry’s commitment to protect World Heritage Sites

Aug and Sep 2018 webinars
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2. About world heritage

3. WWF’s Shared Heritage campaign

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Many of the world’s most famous places—those with unparalleled natural and cultural beauty, significance and/or biological diversity such as the Galápagos Islands, the Grand Canyon, the Great Barrier Reef, Mount Kilimanjaro, and the Pyramids of Egypt—have been designated as World Heritage Sites by the United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Convention.
The World Heritage Convention 1972

• 193 state parties (governments) have ratified the convention, making it one of the most widely recognised international agreements
• Links together in a single document the concepts of nature conservation and the preservation of cultural properties
• Recognises the way in which people interact with nature, and the fundamental need to preserve the balance between the two
• Defines the kind of natural or cultural sites which can be considered for inscription on the World Heritage List
Listing and reviewing of World Heritage Sites (WHS)

These *guidelines* explain:

- Definitions
- Process for inscription of sites
- Role of advisory bodies (e.g. International Union for Conservation of Nature (IUCN))
- Modifications for site boundaries
- Process for monitoring the state of conservation
- Procedure for listing of sites as in danger
- Procedure for eventual deletion
WHS: Outstanding Universal Value (OUV)

The 2017 Operational Guidelines to the World Heritage Convention state that these places are recognised globally for their outstanding universal value, defined as:

“cultural and/or natural significance which is so exceptional as to transcend national boundaries and to be of common importance for present and future generations of all humanity. As such, the permanent protection of this heritage is of the highest importance to the international community as a whole.”
Currently, there are nearly 1,100 natural, cultural, and mixed World Heritage Sites across the globe. Natural World Heritage Sites, in particular, provide vital resources such as food, fuel and water; perform environmental services such as stabilising soils, preventing floods, and capturing carbon; and contribute significantly to economies through jobs, tourism, recreation, and exports.
Almost half of natural World Heritage Sites are threatened by harmful industrial activities such as exploring and extracting oil, gas and minerals; illegal logging; overfishing; unsustainable use of water; and large-scale infrastructure projects such as dams, pipelines, roads, and mega ports.
Questions?
Why WWF got involved: Virunga National Park, Democratic Republic of the Congo (DRC)
Soco announced that it had written off $68 million (£43.9m) on its Virunga venture, which it described as an “expensive, painful experience we would not repeat”.
Together, Saving Our Shared Heritage

“The World Heritage Committee has been consistent that it considers extractive operations as incompatible with World Heritage site status.”

The Committee reiterated this position at its June 2014 meeting, calling “on other companies in extractive industries and investment banks to follow these examples to further extend the no-go commitment.”
Natural World Heritage Sites potentially threatened or impacted by extractive activities

Source: The role of institutional investors in protecting natural World Heritage sites from extractive activity, AVIVA Investors, Investec and WWF, September 2015
WWF’s campaign

≈½ of all natural World Heritage Sites threatened by harmful industrial activities
≈11 million+ people rely on these sites being protected
Half of world heritage sites threatened by development, says WWF

Charity concludes that at least 114 of 229 world heritage sites of outstanding importance for species and habitats are at risk from mining and other activities
UNESCO @UNESCO · Apr 6
UNESCO #WorldHeritage Centre calls 4 united action to protect vulnerable sites whc.unesco.org/en/news/1473 @fionaharvey

vulnerable sites

Wednesday, 6 April 2016

Belize Barrier Reef Reserve System © Tony Rath / Tony Rath

Mechtild Rössler, Director of the UNESCO World Heritage Centre, acknowledges the great efforts of...
In April 2016, WWF launched a global campaign to safeguard natural World Heritage Sites and protect them from harmful industrial activities such as extractive industry operations.

Source: wwf.org.uk/selous
Case study: Grupo Mexico

- Fourth largest copper producer in the world
- Mines lead, silver, zinc and gold. Engages in railroad services and infrastructure construction
- Operates mines, smelters and refineries in Mexico, United States, Peru, Chile, Argentina and Ecuador

Operations in / around two different World Heritage Sites:
- Doñana National Park in Spain
- Monarch Butterfly Biosphere Reserve in Mexico
Example: Spatial intelligence to protect WHS Selous Game Reserve, Tanzania
Financing threats to World Heritage Sites

Three main factors contribute to enabling threats to World Heritage Sites and other protected areas:

- **Governments** are inviting industrial companies into these areas

- **Companies** unconcerned or ignorant about these areas’ protected status are willing to go in

- **Financial institutions** (often unwittingly) find themselves lending/insuring/investing in projects that are environmentally and/or socially irresponsible
Journey of working with industry on WHS
Questions?
Protecting our World Heritage: The insurance industry’s commitment to protect World Heritage Sites

- 2018: PSI, WWF and UNESCO World Heritage Centre joined forces to launch first-ever global insurance industry statement of commitment to protect the World Heritage Sites

- Statement launched in Manama, Bahrain during 42\textsuperscript{nd} Session of the World Heritage Committee

- Committee meets yearly and implements UNESCO World Heritage Convention
The insurance industry’s commitment to protect World Heritage Sites

1. Work together with stakeholders to access necessary data and information and enhance our knowledge and understanding of best practices to protect World Heritage Sites, as defined in Operational Guidelines for the Implementation of the World Heritage Convention, where relevant to our business.

2. Raise awareness of World Heritage Sites and promote or support widespread action to protect these places by working together with our clients, business partners, governments, regulators, civil society and other key stakeholders on relevant issues.
The insurance industry’s commitment to protect World Heritage Sites

3. Develop and/or implement risk management, insurance and investment principles, policies, frameworks, guidelines and/or processes that prevent or reduce the risk of insuring and investing in companies or projects whose activities could damage World Heritage Sites, whenever possible.

4. Protect World Heritage Sites through our risk management services, insurance products and/or investments.

5. Engage with companies we insure and invest in, whenever possible, to improve their disclosure of any activity that could damage World Heritage Sites, and encourage them to adopt and adhere to industry standards and practices to protect these places.
Example: Swiss Re’s Sustainability Risk Framework

“Sustainable business is good business.” – Swiss Re

Umbrella policies
- Human rights
- Environmental protection

Guidelines
- Animal testing
- Dams
- Defence sector
- Forestry, pulp & paper, palm oil
- Mining
- Nuclear non-proliferation
- Oil & gas
Example: Swiss Re’s Sustainability Risk Framework

“**Dams** can help reduce our dependency on carbon and supply us with renewable energy. However, their construction **may involve relocation of a large number of people, poor living and working conditions for the construction team and the destruction of local habitat.**

“…we do not associate ourselves with hydropower projects and supporting infrastructure that involve **violations of human rights, labour rights and health and safety considerations.** We also reject business support for projects which entail **unaddressed environmental damage and raise objections from downstream states.** In addition, we do not provide business support for companies that benefit from the **absence of credible environmental and social impact assessments** for any new large scale projects.

“…Further concerns are the associated flooding of large areas which could impact the local population (especially when indigenous lands are involved) and **loss of cultural heritage (UNESCO sites).** Environmental issues are again related to the **impact on local biodiversity** – dams tend to make it harder for fish to migrate. This, in turn, **risks food security for local communities** who may be dependent on fishing for their livelihoods.”
Example: Swiss Re’s Sustainability Risk Framework

“Metal and mineral products are essential components of the products we use daily. **Mining operations** can, however, displace communities, harm local populations and threaten workers’ wellbeing. Consequently, we do not engage in mining projects that benefit from **violations of human rights, labour rights and health and safety considerations**. We also repudiate child labour and involuntary or uncompensated relocations of the local population. Nor do we support the location of mines in UNESCO World Heritage Sites or protected areas.

“We conduct thorough due diligence into projects where we find information that they may have violated the principles of **Free, Prior and Informed Consent (FPIC)**.

“We have a favourable view of companies who participate in industry **sustainability initiatives such as the International Council on Mining and Metals (ICMM), or the Voluntary Principles for Security and Human Rights**. We are also supportive of companies who **monitor and publicly disclose their emissions and waste, and who provide regular health checks to workers and the community.”
Example: Swiss Re’s Sustainability Risk Framework
Example: Swiss Re’s Sustainability Risk Framework

Sensitive Business Risks referred to our expert team in 2015

- 22% Mining
- 18% Excluded/critical country
- 17% Oil and gas
- 12% Dams
- 10% Other industry/issue
- 9% Defence

- 4% Human rights
- 3% Forestry, pulp & paper & oil palm
- 2% Animal testing
- 1% Environmental degradation
- 1% Multi-issue
- 1% Nuclear weapons proliferation

Number of Sensitive Business Risk referrals

- Proceed
- Proceed with conditions
- Abstain
- Not materialised

*With the new process we in addition conducted 3550 assessments*
There is no global guidance for the insurance industry on the integration of ESG risks into insurance underwriting for any line of business.

PSI project an opportunity to identify and define ESG risks from an insurance underwriting perspective.

Aims to engage insurance industry practitioners and stakeholders worldwide to identify key ESG risks, priority lines of business, and types of insurance cover.

Aims to develop a shared understanding by the insurance industry on how to approach ESG risks.

Aims to benefit the economy, society, and the environment by preventing and reducing ESG risks.

Aims to contribute to building a sustainable financial system and support the UN Sustainable Development Goals, Paris Agreement on Climate Change, Sendai Framework for Disaster Risk Reduction, and UN Guiding Principles on Business and Human Rights through improved risk management across the industry.

Relevant PSI initiatives: Developing global guidance to manage environmental, social and governance (ESG) risks in insurance underwriting.

- Carbon emissions
- Natural disasters
- Deforestation
- Pollution
- Heritage sites
- Human rights violations
- Illegal fishing
- Child labour
- Health and safety
- Forced resettlement
- Forced labour
- Bribery and corruption
Relevant PSI Initiatives: The Insurance Industry Development Goals for Cities

A global action framework for the insurance industry to help make cities inclusive, safe, resilient and sustainable in line with UN Sustainable Development Goal 11

“This landmark initiative by the insurance industry and cities is an excellent example of the type of ambition and leadership needed to achieve the goals of the Paris Climate Change Agreement.”

Patricia Espinosa
Executive Secretary, UN Climate Change
The Insurance Industry Development Goals for Cities

Key urban challenges and opportunities

Goal 1: Build climate and disaster-resilient communities and economies
Goal 2: Promote healthy lifestyles and prevent pollution
Goal 3: Develop solutions for unserved people and enterprises

Goal 4: Protect natural and cultural heritage sites

Goal 5: Promote sustainable energy and resource efficiency

Enabling factors

Goal 6: Leverage data, risk analytics and technology
Goal 7: Promote risk management, insurance and financial literacy

Goal 8: Help develop climate and disaster risk management strategies and plans

Goal 9: Help develop sustainable insurance roadmaps for cities

Goal 10: Promote the Insurance Industry Development Goals for Cities
Protecting our world heritage:
What does signing the Statement mean?

- The Statement is a commitment to take various actions to be more aware and informed of the issue, and to develop company policies and processes to prevent or reduce the risk of insuring or investing in companies or projects which could damage World Heritage Sites.

- In case you are currently insuring or investing in companies or projects with activities in World Heritage Sites, you are not breaching the Statement itself—but you are committing to take action going forward, per the commitments outlined in the Statement.

- Signing the Statement is the first step. As with the four Principles for Sustainable Insurance, implementing these commitments is generally a work in progress and a direction to head in, rather than a prescriptive checklist with which to comply.

- Given the above, we are carrying out this collaborative initiative involving the PSI, WWF and the UNESCO World Heritage Centre.

- No one company or organisation can address these challenges on its own, so collaboration is essential, and that collaboration starts by signing the statement of commitment.
Protecting our world heritage:
Join the list of founding signatory companies
and supporting institutions
Protecting our world heritage:
Become a founding signatory to the insurance industry’s statement of commitment

- Category 1: “Signatory companies” → Insurance and reinsurance companies and intermediaries, and other companies that provide insurance and reinsurance products or services

- Category 2: “Supporting institutions” → Insurance and reinsurance associations, institutes and initiatives; insurance regulatory and supervisory authorities; civil society organisations; academic institutions; and other institutions that work with the insurance industry

- 31 October 2018 → Deadline to become a founding signatory to the Statement. Thereafter, the Statement will be officially launched listing all founding signatories

- Sign the Statement by e-mailing psi-world-heritage@unepfi.org

“The UNESCO World Heritage Centre fully supports this landmark commitment by the insurance industry to protect World Heritage Sites. We encourage insurers around the world to be part of this global commitment as the permanent protection of these places is of the highest importance to all of humanity.”

– Mechtild Rössler, Director, UNESCO World Heritage Centre
Next steps

- Webinars and events to promote aims of insurance industry statement of commitment and best practices across risk management, insurance and investment

- Guidance on how the insurance industry can protect World Heritage Sites and protected areas

- Exploring environmental risk management tools for the insurance industry

- Report on progress of insurance industry’s commitment at 43rd Session of UNESCO World Heritage Committee
Questions?

For more info, see the project website: www.unepfi.org/psi/world-heritage