Environmental, Social and Governance (ESG) Disclosure 2019
Contents

Overview ............................................................................................................................... 4
Our Clients ............................................................................................................................ 5
Our People ........................................................................................................................... 6
Our Industry ......................................................................................................................... 8
Our Community ................................................................................................................... 10
Corporate Governance ....................................................................................................... 12
About Peak Re

Peak Reinsurance Company Limited ("Peak Re") is a Hong Kong-based reinsurance company authorised by the Insurance Authority of Hong Kong. It is one of the locally established reinsurance companies in Asia Pacific, underwriting both life and non-life reinsurance business.

With a shareholder equity of US$1.1 billion as of 31 December 2019, Peak Re enjoys an “A- (stable)” rating by A.M. Best and an “A3 (stable)” rating by Moody’s. The Company ranks among the top 30 global reinsurance groups in terms of net written premiums.*

Peak Re strives to provide innovative and forward-looking reinsurance services for customers in the Asia Pacific, Europe, Middle East and Africa and the Americas. It tailors risk transfer and capital management solutions to best fit clients’ needs.

Fosun International Limited (00656.HK) and Prudential Financial, Inc. hold approximately 87% and 13% of Peak Re via Peak Reinsurance Holdings Limited, respectively.

* Source: S&P Top 40 Global Reinsurance Groups 2020
Overview

UNEP-PSI 2019 ESG Disclosure

Peak Re is a signatory to the Principles of Sustainable Insurance (PSI) of the Finance Initiative of the United Nations Environmental Agency (UNEP FI), which serves to better understand, prevent and reduce environmental, social and governance risks, and to provide reliable protection.

We understand that corporate social responsibility is a collective effort, which must be integrated into every aspect of how we do business. The work that we do has a positive impact on societies and businesses, and we are looking forward to increasing this impact by deepening our collaborations with our clients and stakeholders. As our business continues to grow, we are looking at holistic ways to engage with our clients, industry bodies and communities to fulfil our commitment to the sustained development of the insurance sector.

This report shows our commitment as a responsible company and describes how we continued this commitment in 2019.
Our Clients

We are committed to the sustained development of the insurance sector, which will help society grow and prosper by alleviating risk and providing protection to more people. This is not just for tomorrow; we’re planning for the next century and beyond.

Client Activities

At Peak Re our daily work involves partnering with clients to help identify opportunities and alleviate risk, thereby driving positive change.

Our priority is to fully engage with our clients to provide the insight and service they value us for. We deliver this value to our clients on a number of levels – through our underwriting process, market insights and highly efficient business model.

In 2019, we continued to deliver insights to clients through our publications Peak Insights, Peak Times and our Seasonal Tropical Cyclone Activity Forecast. We also hosted a number of seminars for our clients in Hong Kong, Shanghai and India to discuss the issues impacting their business, covering IFRS 17, cyber risk, risk based capital, volatility protections and catastrophe management.

Peak Re’s Hong Kong Seminar, held on 25 September 2019 focused on IFRS 17, cyber risk, risk-based capital and catastrophe management.
Our People

Creating a workplace that enables and empowers its people is central to Peak Re’s vision. Our people are insightful, entrepreneurial, innovative and agile. In return, we provide our employees with the opportunity to develop their skills and gain experience to enhance their careers.

A Diversified Team

Currently, we employ around 100 highly talented people, who represent 16 countries and territories and collectively speak over 20 different languages. We value diversity, and the insights and experience from a diverse workforce. As of December 2019, over 50% of our staff are under the age of 40.

Training and Development

During 2019, our employees received an average of 15 hours of training each, and some of our middle to senior managers obtained close to 40 hours. Where relevant, Peak Re also sponsored and supported employees to take part in external professional training, industry conferences and seminars.

Last year, we hired 12 interns. This is an important initiative for Peak Re, as it impacts our talent pipeline and provides valuable experiences to younger generations, as well as promoting our industry. The interns worked with us for at least three months, with some extending to over half a year or more, across our Property & Casualty, Investment, Legal, Corporate and Communications functions. Our interns work side-by-side with our reinsurance professionals, receiving guidance from them throughout their time with us. They also participate in the Orientation Program, alongside permanent hires joining the company, providing them unique opportunities to learn the company's operations, values and culture. The high performers were offered employment with Peak Re upon graduation.

Health and Wellness

The health and wellness of our employees is of the utmost importance, and our approach is a holistic one. Our commitment to employees’ health and wellbeing is embedded into our culture, employee policies, physical workspace and health-related employee benefits.

Our new office space features three collaboration corners, a garden lounge and a big multi-function area which can be used for discussions, hot desking or even as an event space. We have made the space greener, with over 130 potted plants around the office and a 60-inch vertical garden by the kitchen area. To ensure our air is clean, 10 Plasma Air purifiers have been installed in the ceiling, as well as 4 air purifier cubicles and air quality monitors. Work stations are 180 cm wide, with ergonomic furniture such as height adjustable desks to ensure comfort and good posture. Tables, cabinets and chairs are certified by SCS, conforming
to Furniture Sustainability Standards, and standards for Chemical Emissions for Finishes and Furnishings.

**aNamed a “Caring Company” Since 2016**

Peak Re has been accredited as a Caring Company by the Hong Kong Council of Social Service since 2016. This recognises Peak Re’s commitment to caring for the community, employees and the environment.
Our Industry

At Peak Re, we are guided by our mission to modernize reinsurance and support industry growth, while also delivering benefits to the emerging middle class communities in Asia.

Supporting the Industry

We believe we have a responsibility to not only support our clients but also participate in the broader environment in which Peak Re operates.

In 2019, we continued to actively lobby and support the United Nations Environment Programme Finance Initiative (UNEP FI), the Geneva Association, the Hong Kong Federation of Insurers (HKFI), and the Actuarial Society of Hong Kong (ASHK) in connection with the new requirements for Hong Kong’s risk-based capital regime. We contributed to the conversation on several levels.

In Southeast Asia, significant progress was made in working with our clients and the industry to advocate for the needs of the market, educating service providers and adjusting product design to better fulfil customer expectations. This has laid the foundation for increasing awareness about insurance across the emerging middle class in the region. We also took part in a number of impactful initiatives, including the development of a trade credit solution in Pakistan to support small businesses; consulted with the government of Thailand on an agricultural scheme that supported 70% of the drought losses and 30% of flood losses to help protect around 1.9 million local farmers.

In Hong Kong, where our headquarters are located, we continue to work closely with the HKFI on different fronts. Our employees voluntarily take part in the various working groups or act as committee members of the HKFI. We also continue to be the appointed industry advisor to the Hong Kong Insurance Authority.

Participating In Events and Sharing Our Insights

Peak Re participated in over ten industry and professional events in 2019. Our CEO and Managing Director of Underwriting spoke at various insurance industry events, and gave their insights into specific topics such as Insurance-linked securities. Through these events, Peak Re shared experiences and thought-leadership with our market practitioners.

Sponsorship of “Emerging Asia Life Insurance Pulse”

Peak Re sponsored the inaugural survey ‘Emerging Asia Life Insurance Pulse’, designed to benefit the insurance community in the region. The survey found that morbidity risk is Emerging Asia’s most urgent life and health insurance need. Increasing environmental pollution, changing lifestyles and aging were found to give rise to a rapid growth of cancer, diabetes and cardiovascular diseases, and constitute the region’s single most important life and health protection gap.
Through the survey, Peak Re demonstrates its proven risk expertise and its commitment to improve the transparency of the regional marketplace, by providing its insurance community with an important benchmark for strategic and operational decision-making. Peak Re offers technology-enabled protection solutions to Asia’s emerging middle class as well as the underserved segments of the population.

**Partnership with Shanghai Typhoon Institute (STI) and Shanghai Central Meteorological Observatory (SCMO)**

Typhoons is a covered peril on all property policies in China. Since 2015, we have partnered with the Shanghai Typhoon Institute (STI) on research projects related to monitoring tropical cyclones in the North West Pacific Basin and South China Sea.

Using live typhoon data provided by both the STI and the SCMO, Peak Re has developed a free platform, namely the Tropical Cyclone Activity Tracker (TCAT), to allow clients to track typhoons threatening the China coastline. The TCAT provides users with a closer view of the potential impacts of typhoon wind and rainfall, and allows them to track current tropical typhoon events in the North West Pacific basin and see forecasts of both rainfall intensity and landfall location. Historical tropical cyclone tracks can also be viewed.

Our research and data allow insurers to better understand these cyclones and mitigate the associated risks. STI and Peak Re are working together to issue two reports each year, one for the pre-cyclone season and the other as a mid-season review.
Our Community

We were founded with a vision of building a sustainable, viable and consistent business that would last for decades based on the growing need for protection across Asia-Pacific.

Rural Doctor Poverty Alleviation Programme

Peak Re, together with the Fosun Foundation, is continuing to support the Rural Doctor Poverty Alleviation Programme, which aims to improve access to medical care in remote Chinese regions. We are committed to the project and have made plans to support the villagers of the Yongping region, a county in the west of Yunnan province, lies on the earthquake fault zone, and is affected frequently by other natural disasters, such as flooding and landslides.

Peak Re Tea Project

In 2018, we launched our first Peak Re Tea Project, to purchase high quality certified organic tea handpicked by farmers from Yongping (Yunnan, China) as corporate gifts. The project aims to provide financial support to the local community where a lot of the farmers come from low-income families. Peak Re has committed to a 5-year plan to continuously purchase tea to support the farmers.
Principles of the Sustainable Insurance (PSI) Initiative

Peak Re is a signatory to the Principles of Sustainable Insurance (PSI) of the United Nations Environmental Agency’s Finance Initiative, which serves to better understand, prevent and reduce environmental, social and governance risks, and to provide reliable protection.

The Himalayan Consensus

Peak Re has been an active contributor, adviser and sponsor to the Himalayan Consensus, an initiative created to enhance the Himalayan region’s resilience against natural disasters through community empowerment.

The Consensus aims to encourage grassroots solutions and efforts to improve economic sustainability, all while protecting ethnic diversity and local identity. Peak Re’s involvement includes providing ideas on investment structures that can help communities respond to natural disasters, both in the Himalayan context and in other parts of the developing world.

Community Engagement

In 2019, Peak Re and Fosun employees joined hands with the Hong Kong Federation of Youth Groups and the Jockey Club at the Ping Shek Youth S.P.O.T. to make reusable bags with children from low-income families. We continue to ensure our business operates in an environmentally friendly way by reducing our carbon footprint as much as possible across our daily activities.

Fundraising Activity

Peak Re employees joined a team with ONE Fosun to participate in a major annual Marathon in Hong Kong. Not only was this an opportunity for the runners to exercise and push their personal boundaries, but it was also a way to support local charities and communities. The team donated to The Hong Kong Paralympic Committee & Sports Association for the Physically Disabled, and the non-profit organisation, Orbis.
Corporate Governance

Peak Re has defined a Code of Conduct, Social and Environmental Responsibility Guidelines and an Anti-Money Laundering and Counter-Terrorist Financing (AML/CTF) Compliance Policy to support and guide management and staff in the daily execution of the corporate governance.

Supported by a Robust Corporate Governance Framework

Peak Re is committed to a high standard of corporate governance that ensures sound management, effective oversight of the business and recognises and protects the interests of policy holders, in adherence with the laws and regulations of Hong Kong, where Peak Re is headquartered, and other applicable jurisdictions.

We are giving back to the local communities where we operate, which includes recognising a responsibility to the environment and minimising our adverse impact.

Terms of Reference for ESG Responsibility

Based on our established ESG responsibility framework, Peak Re has continued to apply our own ESG policies for seven years since commencing operation. These Terms of Reference were approved by the board of directors and are continuously supported by the senior management team.

Applying ESG Standards in Reinsurance Operations and Investments

In 2013, Peak Re developed policies and procedures for screening and tracking of the ESG Exclusions in both underwriting and investments and continues to enforce the exclusions. Peak Re’s Exclusion List ensures that we do not support any business in violation of our ESG standards when providing reinsurance capacity. Typical exclusions include risks or investments for weapons and munitions, gambling and casinos, employment likely to involve abuse of human rights and child labour, forestry and logging, etc.

In 2019, based on the criteria laid down in our ESG policy, we have continued to review each and every piece of business that we plan to accept. The same rules also apply to the investment choices made, including bonds and equities.

“Managing Environmental and Social Performance” E-learning Course

Every staff member is required to pass an E-learning course on “Managing Environmental and Social Performance”. By the end of 2019, all staff, both from the Hong Kong office and our Zurich subsidiary, passed the course and received
a completion certificate. It is part of Peak Re’s company orientation that all new joiners are required to pass the course within 2 months of joining the company.

Anti–Unfair Competition Law

Peak Re expressly upholds the principle of open and fair competition and is committed to maintaining good operation practice in the Code of Conduct. During the Reporting Period, no material breach of anti-unfair competition laws and regulations occurred.
Peak Re

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