

Introducing the **ICMIF-calibrated Insurance SDG Calculator**

A tool to quantify impact and
report on progress towards
insurance SDGs

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Insurance SDG Calculator

Calibrated by ICMIF. Powered by Swiss Re Institute.



Swiss Re supports UN PSI and the SDGs

Objectives: Quantifying underwriting & operations sustainability impact to enable business optimisation and iSDG reporting

Performance

Optimise portfolios to manage risks and unlock capital for enhanced performance and growth

Exposure

Reduce underwriting portfolio volatility caused by unforeseen (but foreseeable) risks. Identify key risk drivers and accumulation potential to manage exposures

Regulation

Support compliance with growing financial regulations on disclosures, capital reserve requirements and increasing stakeholder demands for corporate accountability

The insurance sector's sustainability journey

From ESG risk management to full business impact SDG quantification & steering

Sustainability 1.0

Avoiding risks

Vision: Measures to **protect company from downside risks**

Frameworks & standards: Sustainability Risk Framework highlighting ESG issues / risks to avoid

Practice: Avoidance of exposure to controversial business areas or unethical behavior, e.g. norm-based exclusions, values-based exclusions, country exclusions, exclusions based on business conduct (UN Global Compact breaches)

Example: Applying UN Global Compact (on trade, individuals, etc).

Sustainability 2.0

Qualitative selective practices

Vision: Establishing **qualitative risk management by select ESG criteria** to effectively protect the company. Positioning as a sustainability leader. Reporting on selected sustainable business criteria.

Frameworks & standards: Reporting according to leading standards (UNEP PRI, UNEP PSI, TCFD, SBTi...) mapping to GRI, SASB as relevant.

Practice: ESG criteria to manage assets and liabilities (exclusions, inclusions, enhancements within industry class) using qualitative portfolio assessments. Qualitative assessment of ESG criteria in terms of company processes and policies.

Example: ESG criteria based on action, e.g. Thermal coal policy.

Sustainability 3.0

Quantitative comprehensive impact

Vision: **Quantifying comprehensive business SDG impact** to manage exposures, steer performance, comply with regulations, meet commitments and stakeholder expectations, and credibly report.

Frameworks & standards: Paris agreement, global SDG goals and related targets (e.g. net zero assets & UW). Expansions like TNFD in the pipeline.

Practice: Individual portfolio quantification in terms of SDG contribution / harm. Commitment tracking (incl net-zero). Fwd-looking models for physical, transitional, litigation risks & opportunities.

Example: SDG metrics based on actions' impact: e.g. KT CO₂ equivalent avoided through insuring energy-efficient and low-carbon technologies

Swiss Re is leading an **industry effort to advance our collective progress** towards sustainable business.

Launched at WEF 2020 in Davos, UNEP PSI, Swiss Re CEO Christian Mumenthaler, and several insurance CEOs agreed to develop **SDG goals for the insurance industry (“iSDG”s)**.

Building on the UNEP PSI iSDG definitions, the Swiss Re Institute is developing the Insurance SDG Calculator to help re/insurers **measure, make informed business decisions, and report** according to the UN’s SDGs.

The Insurance SDG Calculator applies industry-calibrated commitment frameworks to help insurers **quantify underwriting portfolio SDG impact**. It takes into account insurers’ role as risk managers and underwriters and scores them by SDG and relevant indicators.

The Insurance SDG Calculator enables insurers to **track ambitions, make informed choices** (away from harm and towards sustainable growth), **track progress, and report on their sustainability impact**



iSDG framework

UN PSI iSDG initiative led by UN PSI and Swiss Re:

“Systematically map links between insurance products & services and the SDGs; define frameworks for impact measurement; create industry-wide momentum and set ambitions; and execute on these joint targets”.

Insurance SDG Calculator



Quantitatively assess iSDG impact. Use analytics to optimise underwriting business and operations.

Indicators build on key standards such as UN Global Compact, UNEP NZIA, GRI, SASB

Commitment frameworks(*) with agreed weighting factors and scoring ranges

UN PSI framework

“Insurance SDG Calculator calibrated by UN PSI”
(to be developed in 2023)

ICMIF framework
“Insurance SDG Calculator
calibrated by ICMIF”
Launching in Oct 2022

Company-specific framework
“Insurance SDG Calculator Pro”
(flexible calibration)
Launching in 2023

Future versions
(e.g. corporates, cities,
microinsurance...)
TBD



The insurance industry needs to quantify sustainability impact, optimise business, and credibly track progress

Swiss Re Institute's "Insurance SDG Calculator" provides a simple, science-driven, and quantifiable insurance SDG framework to support insurers in making informed choices

The ICMIF-calibrated Insurance SDG Calculator:

Pioneering underwriting & operations
iSDG impact quantification & assessment

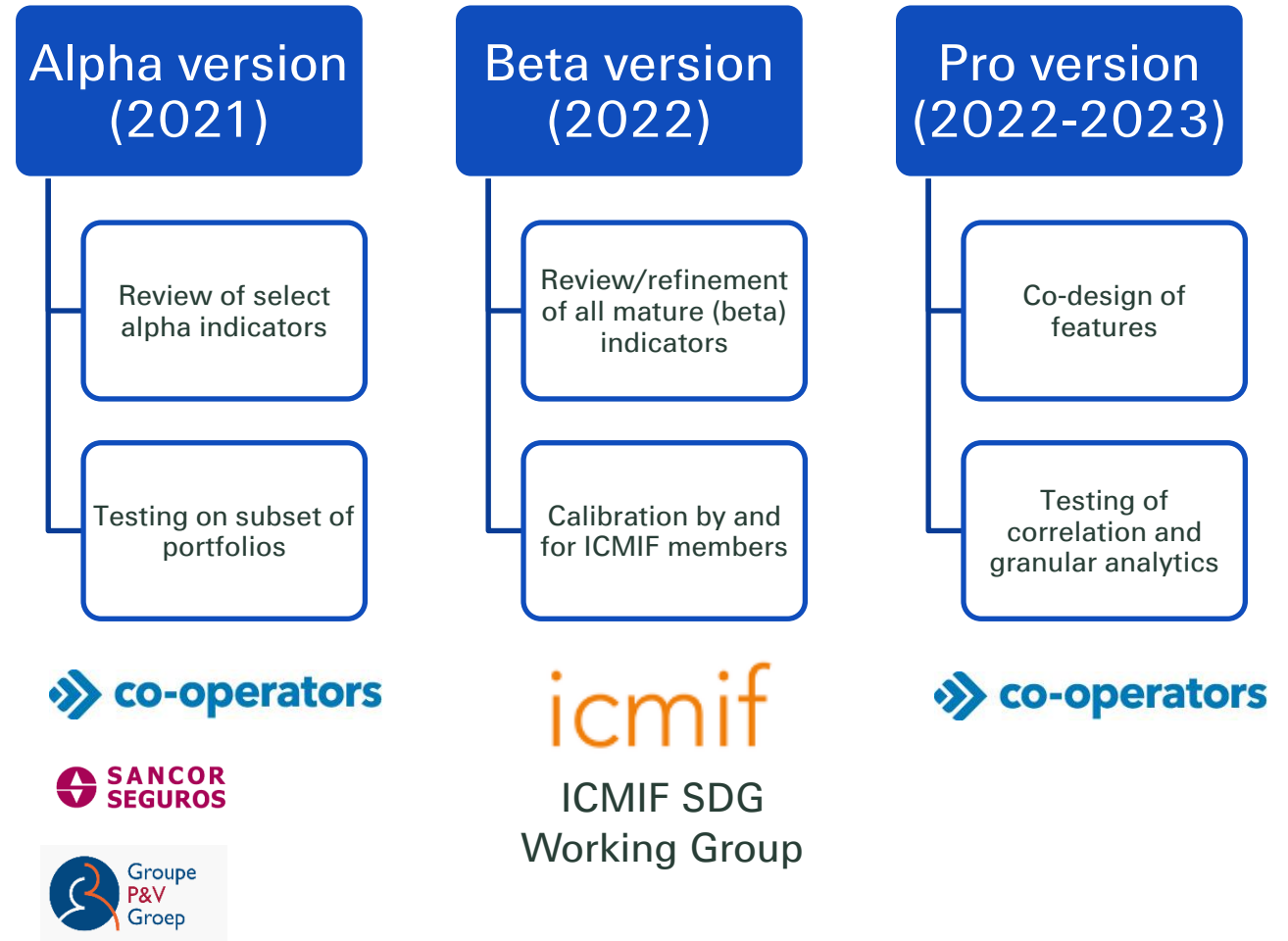
Partnering with ICMIF to co-develop and calibrate the calculator

In 2020, through Swiss Re's ICMIF membership, we proposed a co-development of the ICMIF version of the Insurance SDG Calculator to ICMIF CEO, Shaun Tarbuck.

Shaun put us in touch with 3 mutuals advanced in sustainability to help us shape the alpha version of the ICMIF SDG Calculator during 2021.

In 2022, we broadened the effort to 27 mutuals participating in the ICMIF SDG Working Group to shape the beta version to be launched at the Centenary.

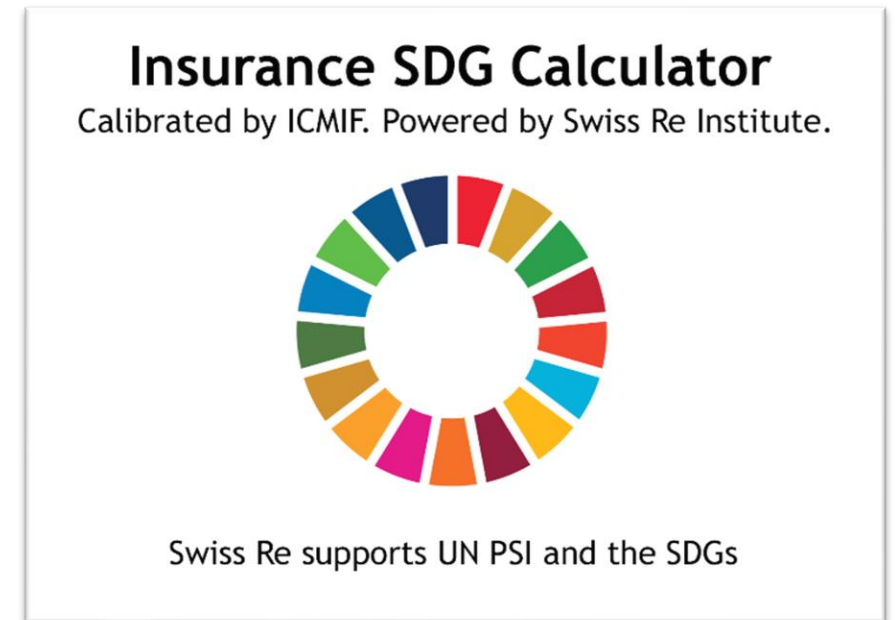
We are currently working on advanced features for the Pro version to enable granular business optimisation.



Launching the beta version: ICMIF are pioneering iSDG impact quantification with the ICMIF tool, shaped and calibrated ICMIF members

In March 2022, the ICMIF SDG Working Group was formed. Composed of 27 ICMIF members, as well as the ICMIF central organization and the Swiss Re Institute team, we convened monthly to review and calibrate the iSDG indicators and shape the ICMIF-calibrated Insurance SDG Calculator.

- **Vision:** Value-driven insurance powering sustainable economies and societies in a thriving environment.
- **Mission:** Collectively shape
 - ICMIF's SDG vision, from a common definition to quantified metrics.
 - A consistent framework to enable a joint roadmap
- **Ambition:** Establish baseline in 2023, refine framework, track yearly progress amongst participating ICMIF members
 - Launch a beta version to launch in 2022 and test & refine throughout 2023+
 - Invite ICMIF members to do an iSDG company score to establish a baseline and track yearly progress

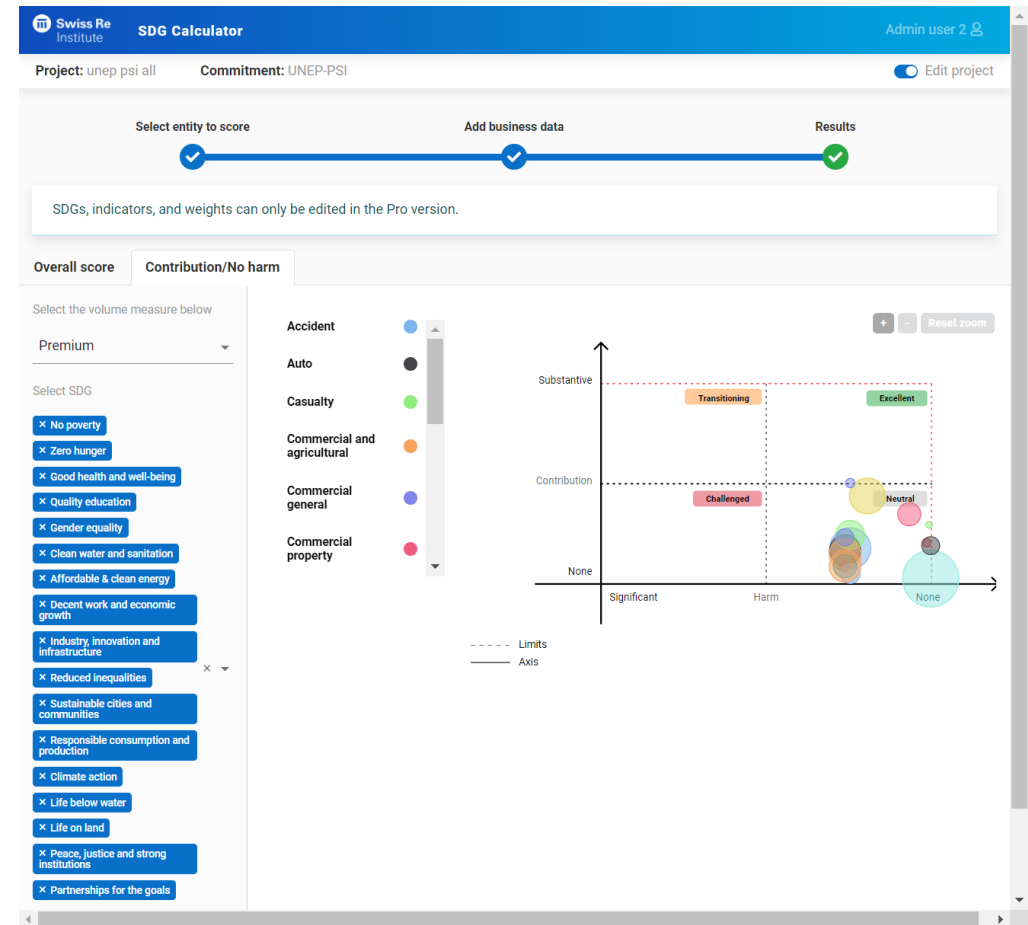
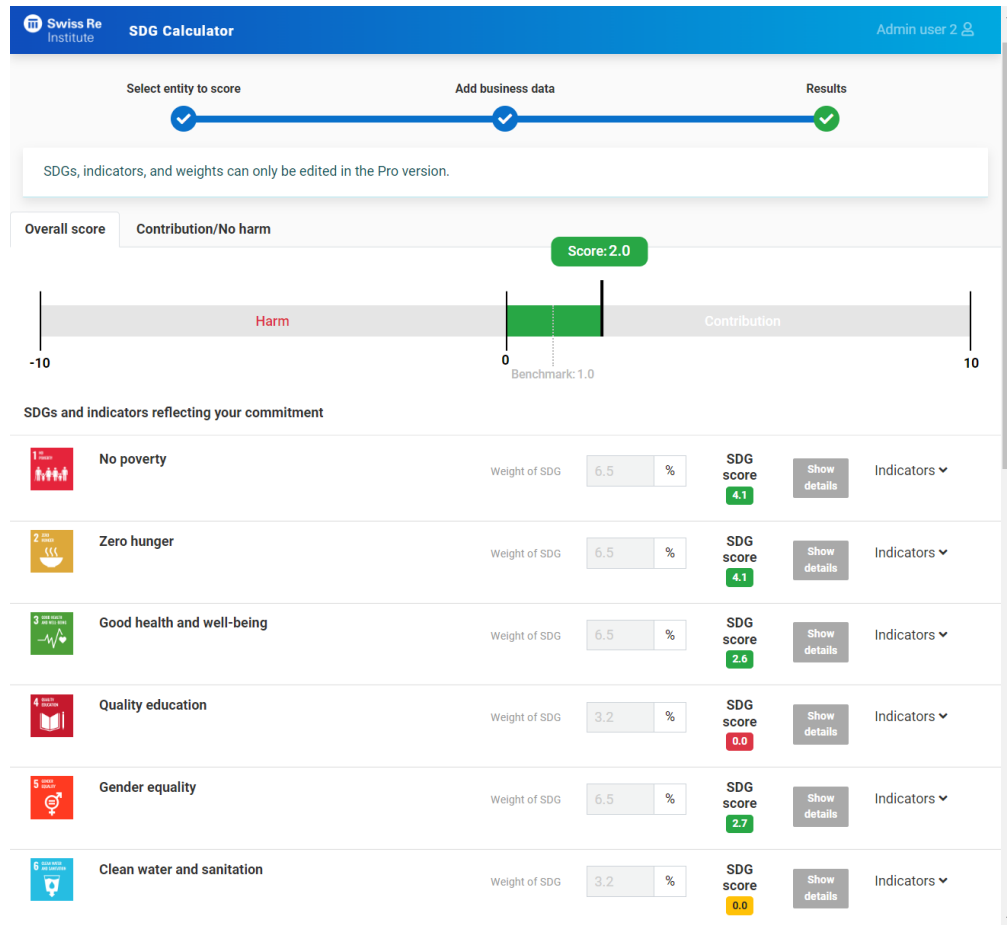


Example indicators and metrics

SDG	Narrative	Measure	Unit
1 No poverty	Provide access to basic insurance for the general public	Total insured people	# people
1 No poverty	Support individuals with microinsurance and microinsurance organisations	Yes/No	NA
3 Good health & well-being	Provide comprehensive health insurance and services	checkbox	score
3 Good health & well-being	Provide health insurance for the general public	Number of people reached with healthcare	# people
5 Gender equality	Achieve equal share of women in executive and manager roles	Fraction of women in executives/managers	%
5 Gender equality	Provide equal access to insurance for women	Fraction of female policy holders	%
7 Affordable & clean energy	Provide energy-related insurance products to facilitate access to energy	Equivalent energy output	MWh
7 Affordable & clean energy	Provide renewable energy-related insurance products	Equivalent renewable energy output	MWh
7 Affordable & clean energy	Reduce carbon footprint by insuring sustainable energy technologies	Carbon intensity	ton/premium
8 Decent work & economic growth	Insure small and medium-sized enterprises (SMEs)	Fraction of SMEs insured in all applicable portfolios	%
12 Responsible consumption & production	Reduce irresponsible energy consumption	Fraction of non-renewable energy consumption for business operations	%
12 Responsible consumption & production	Reduce irresponsible material consumption	Fraction of weight of non-recycled waste	%
13 Climate action	Measure, publicly disclose and reduce own carbon footprint	Own scope 1 and scope 2 (location-based) carbon footprint	ton/revenue
13 Climate action	Reduce carbon footprint by insuring sustainable technologies in transportation and other industries (energy sector not in scope)	Carbon intensity	ton/premium

Company iSDG scoring pilot

Screenshots of outputs: iSDG scores and portfolios' contribution / harm



Next steps:

Come check it out and book your company score!

Come to the ICMIF Centenary ICMIF Insurance SDG Calculator stand for a demo



Thank you!

Contact us



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