



# ESG Investments

Munich RE x HNEE

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# Table of Contents

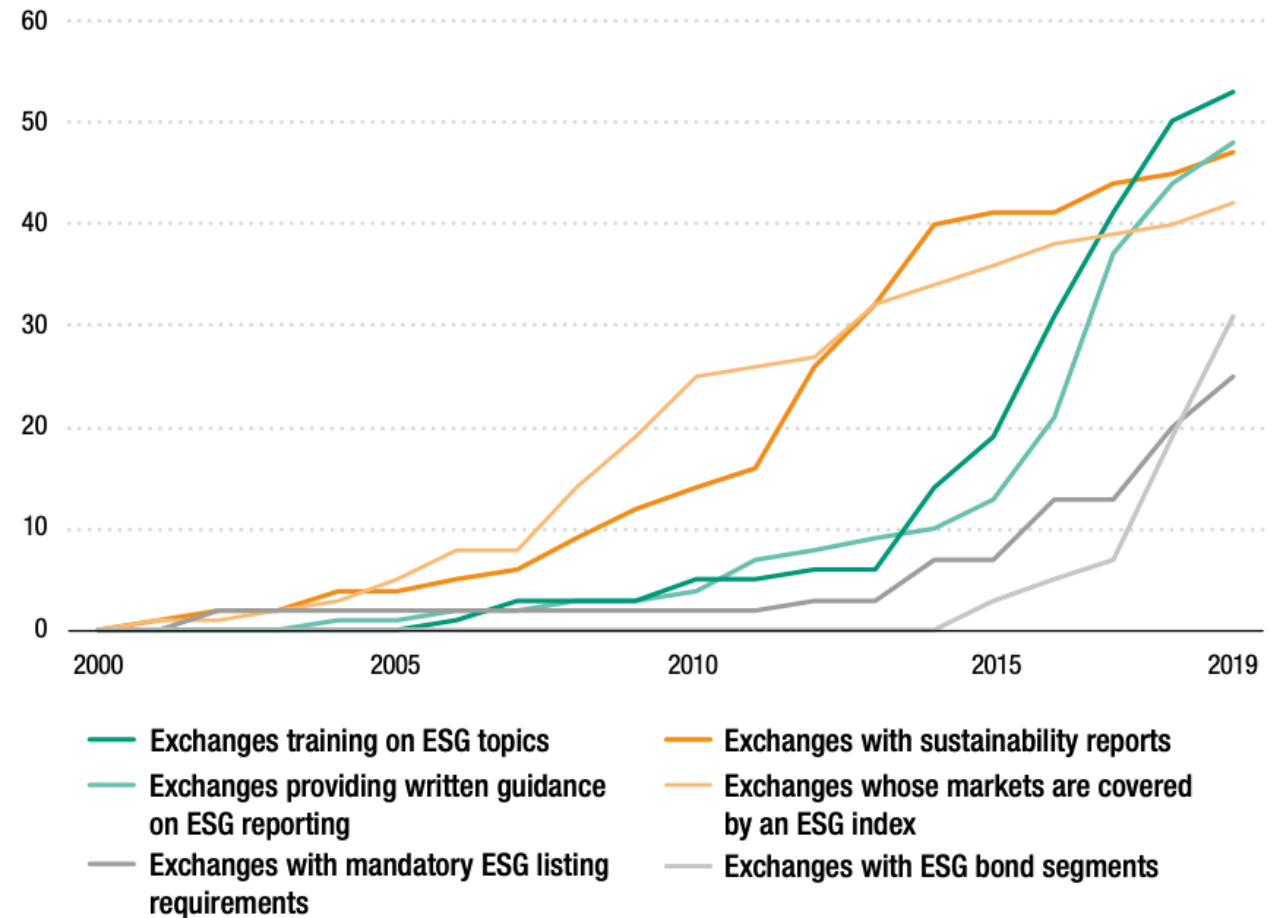
1. Investing in SDGs
  1. Gender Equality
  2. Life on Land
  3. Zero Hunger
  4. Good Health
2. Synergies
3. Discussion



# Global investment

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**Figure 10.** | **Stock exchange trends** (Number of exchanges)



Source: UNCTAD, SSE database.

5

GENDER  
EQUALITY



# Goal Targets

- Full participation in leadership and decision-making
  - 50 % female managers
- Equal rights to economic resources
  - Equal payment
- Recognise and value unpaid care and domestic work
  - Paid parental leave



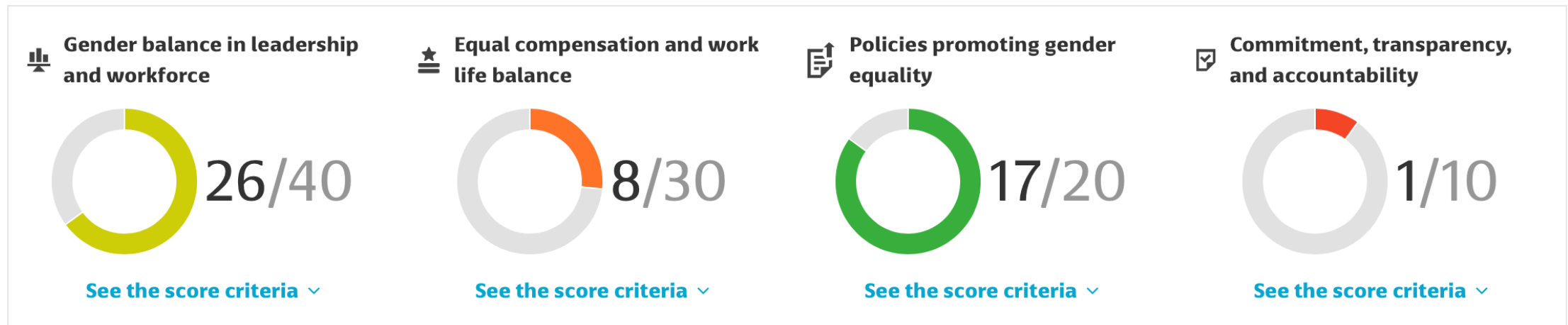
# Gender Equality Investment Funds

- Funds with a special focus on gender equality
  - Companies with diverse employees are more successful
  - Mostly big corporations in the portfolios
  - No standard certification
  - Portfolio often in conflict with other SDGs



# Example: Gender Equality Score

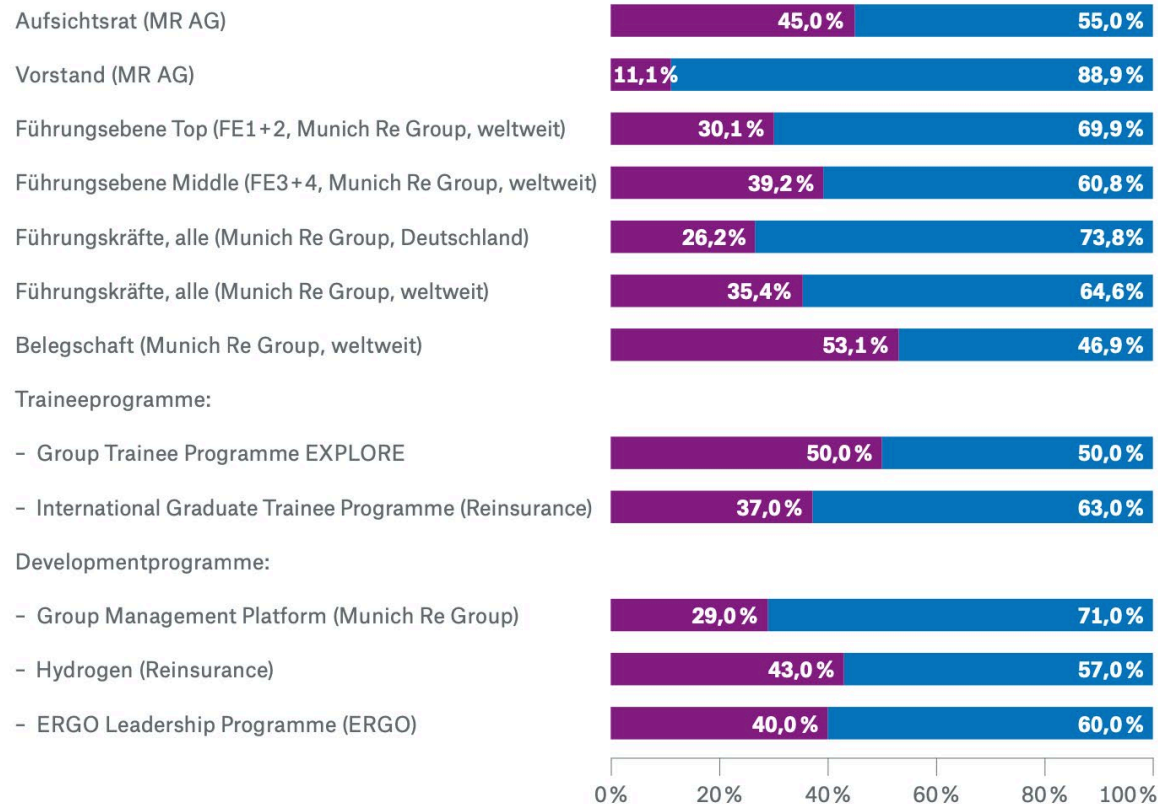
Pax Ellevate Global Women's Leadership Fund (52/100)



# Munich RE – Gender Equality?

Ampega Diversity Plus Aktienfonds P

## Geschlechterquoten



■ Frauen  
■ Männer





# Female Venture Capital Funds

Companies with female founders perform **63%** better than those of male founders (in the US)

Female-founded companies in 2019 got only **2,7%** of all venture capital US dollars

# Management Options

01

## Extend Investment Guideline

- Women's quota
- Equal payment
- Policies promoting gender quality
- Avoid gender-equality laggards

02

Use your power as investor to vote for more gender equality

03

Start with Munich RE

# Current and future focus on SDGs



# Selected Targets

- Halt deforestation, restore degraded forests and substantially increase afforestation...
- Combat desertification, restore degraded land and soil, including land affected by desertification, **droughts and floods**...
- Integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts.
- Take urgent action to end poaching and trafficking of protected species of flora and fauna...



# Selected Indicators

- Prevalence of undernourishment, malnutrition...
- Total [**investment**] flows to the agriculture sector
- Average **income** of small-scale food producers...
- Proportion of area ... under sustainable management



# Munich Re's current engagement

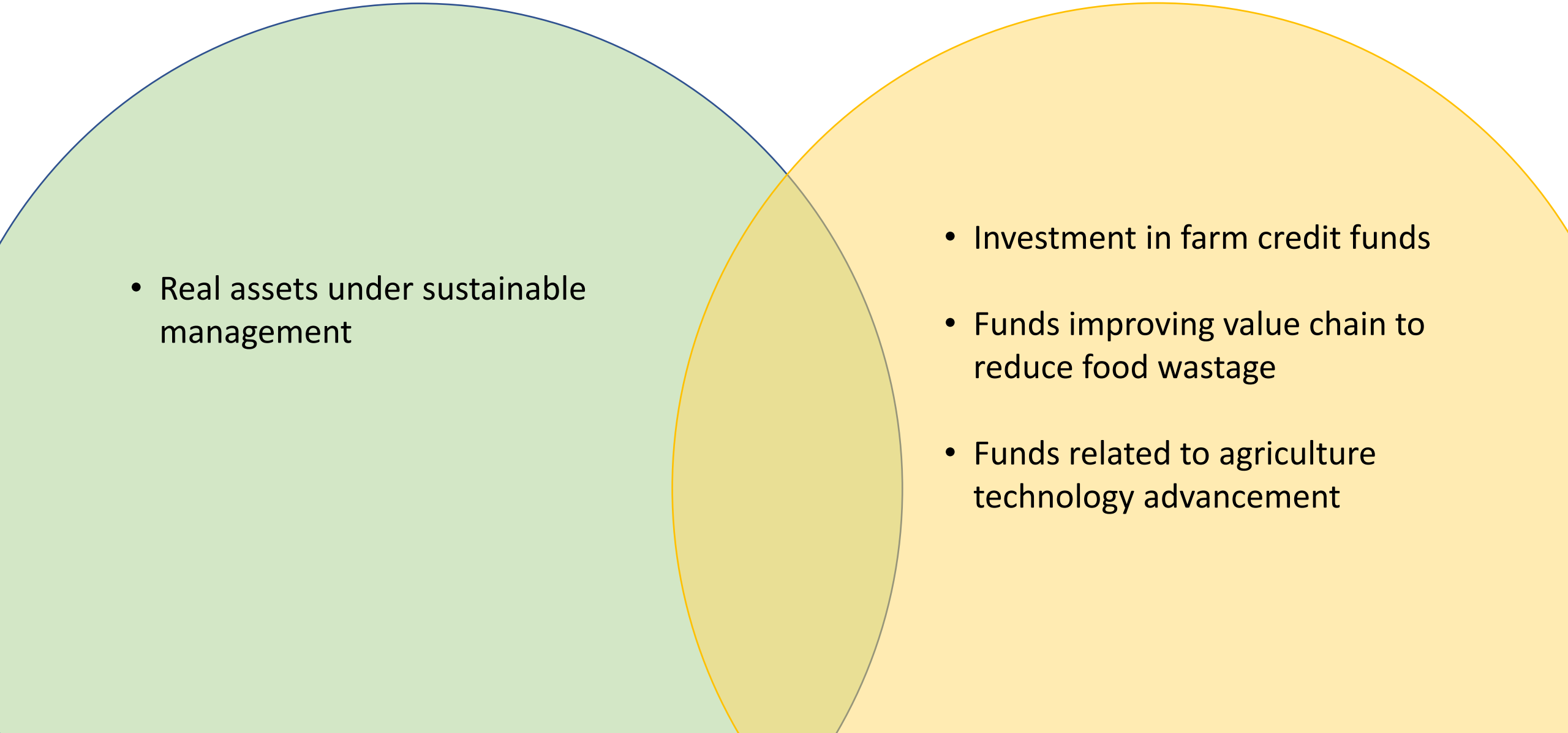
0.4% investments in forests and agriculture

- Exclusion criteria: primary forests, land grabbing

Green Bond Investments:

- Renewable energy from Ag waste
- Sustainable and smart agriculture projects
- Supporting certified fisheries and forestry

# Investment possibilities

- 
- Real assets under sustainable management

- Investment in farm credit funds
- Funds improving value chain to reduce food wastage
- Funds related to agriculture technology advancement


# Farm credit to Farmers and ranchers



**591,900+**  
Farm Credit customers  
nationwide



**\$23.4B**  
New loans to small  
farmers and ranchers  
in 2020



**946,119**  
Loans  
*as of December 31, 2020*



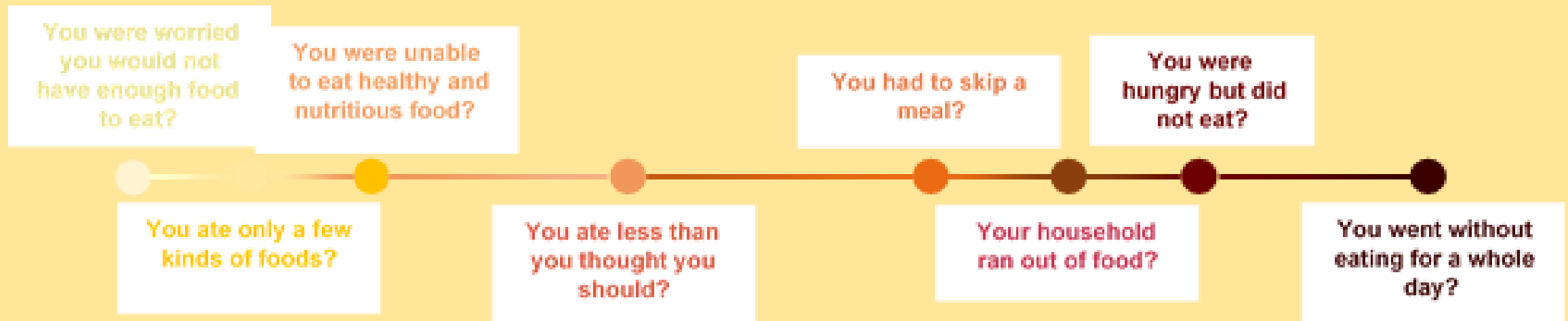
**\$315 B**  
Total loan volume  
*as of December 31, 2020*

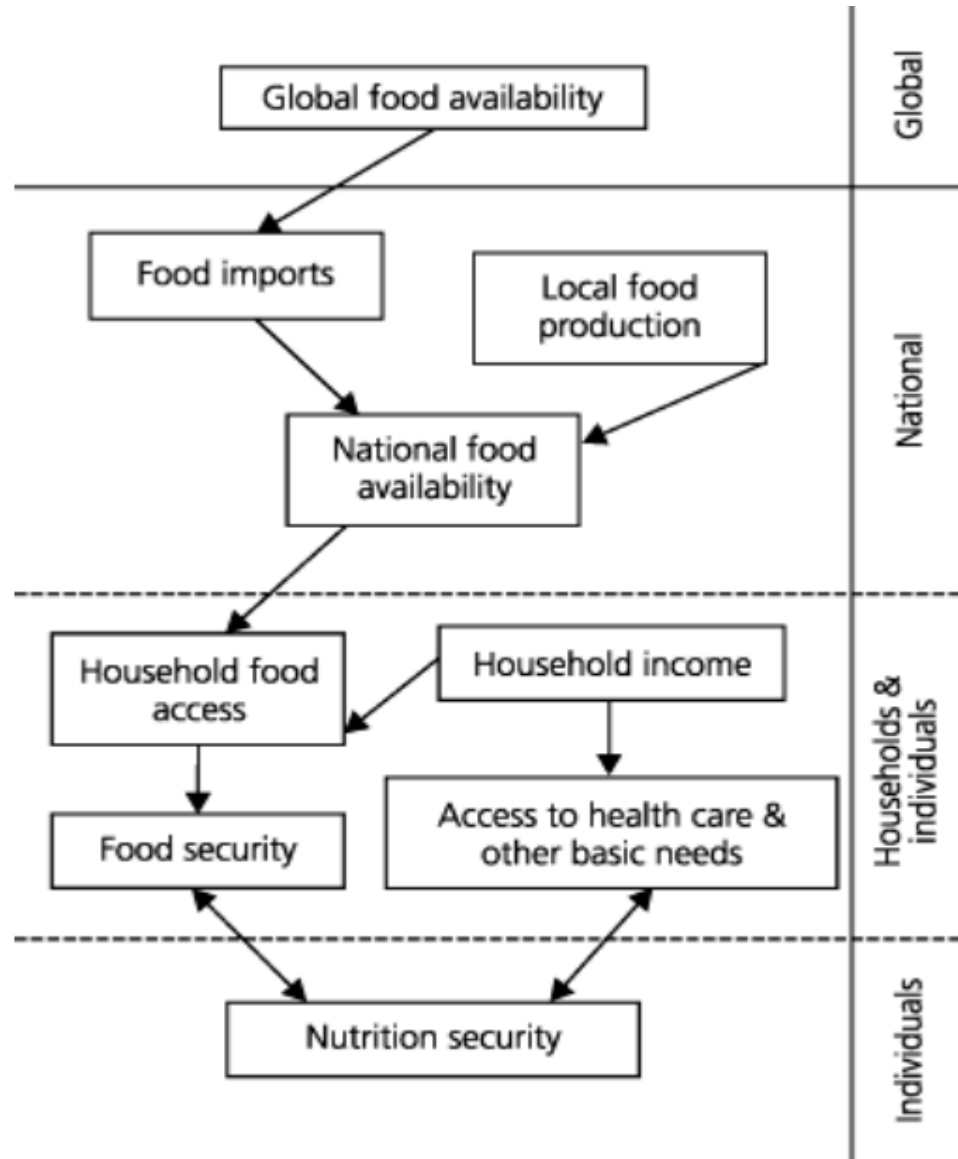
- The Farm Credit System funds approximately 43% of all US farm business debt
- FCSA approved dividend equal to 1% of a customer's eligible daily loan balance for a total payout of over \$275 million





# Measurement / Metrics





# Other Metrics

- Commitment of corporations towards hunger program (Healthy cities by Morgan Stanley).
- No of storage or warehouses available
- Transportation facility in particular area or region.
- Time- How much time a product to reach end consumers?
- Agricultural factor income per annual work unit (AWU)



# Quantitative goals

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## Environmentally Sustainable Management of Living Natural Resources and Land Use

- Surface area of land preserved/restored
  - Area under sustainable agriculture certification
  - Amount of crops produced with sustainable agricultural certifications
  - GHG emissions avoided per year
  - ...
- 

## Taking it further with goal-setting:

- Manage/support/protect 10.000 ha by 2025
- Manage/support/protect 25.000 ha by 2030
- Manage/support/protect 50.000 ha by 2035

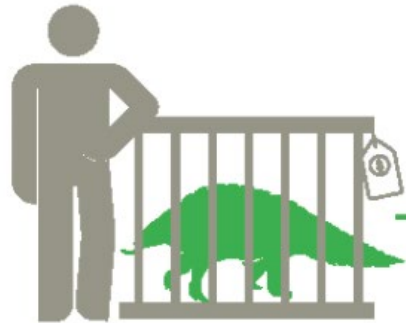
\* Focusing on the Amazon rainforest may generate multiple benefits



# Qualitative Goal: Increase exclusion list to address wildlife poaching

## COVID-19 IMPLICATIONS

**WILDLIFE TRAFFICKING** DISRUPTS ECOSYSTEMS AND CONTRIBUTES TO THE SPREAD OF INFECTIOUS DISEASES



**PANGOLINS** ARE POSSIBLY THE INTERMEDIARY ANIMAL THAT TRANSFERRED THE CORONAVIRUS

THE EQUIVALENT OF **370,000 PANGOLINS** WERE SEIZED GLOBALLY (2014-2018)



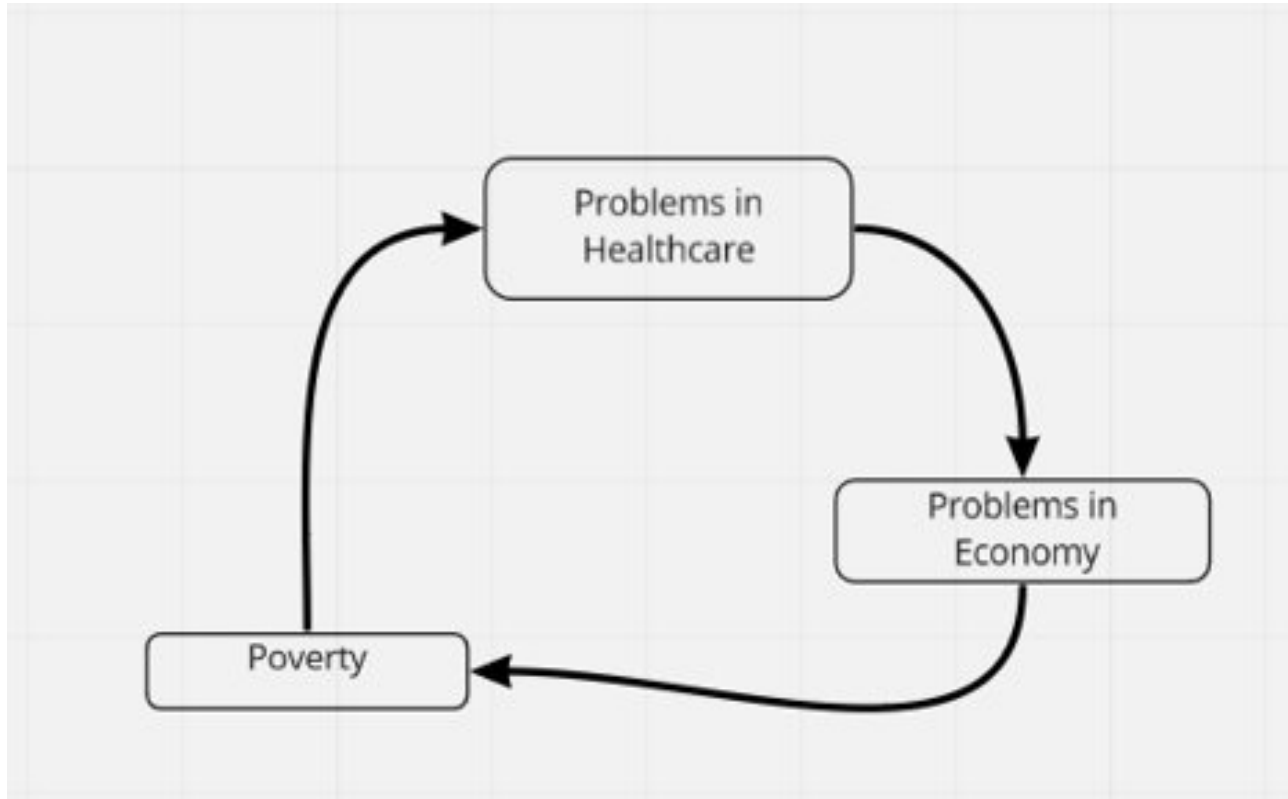
# 3 GOOD HEALTH



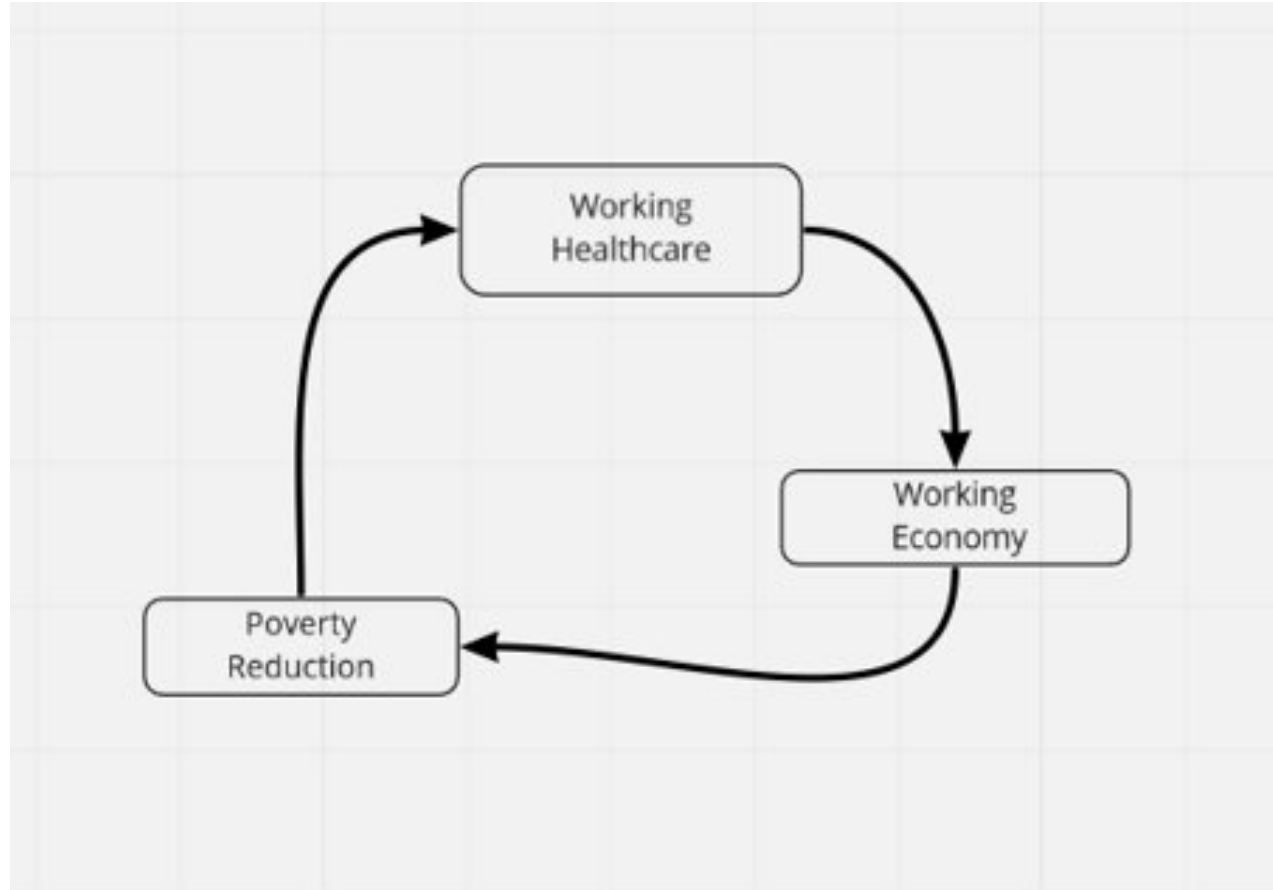
## Selected Targets-2030

- End the epidemics of AIDS, tuberculosis, malaria
- Increase health financing and the recruitment, development and training
- Ensure universal access to sexual and reproductive health-care services

# Poverty, Health and Economy

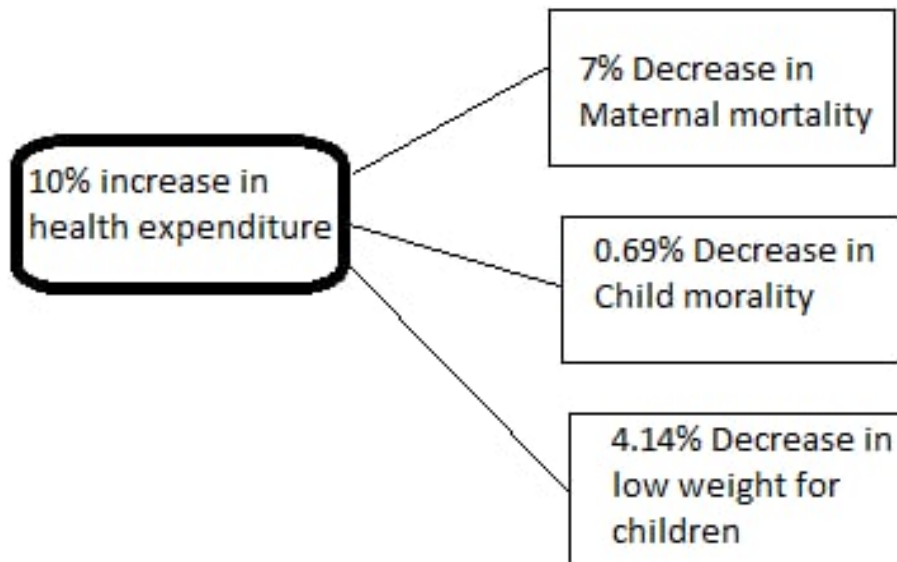


# Why invest here? - People

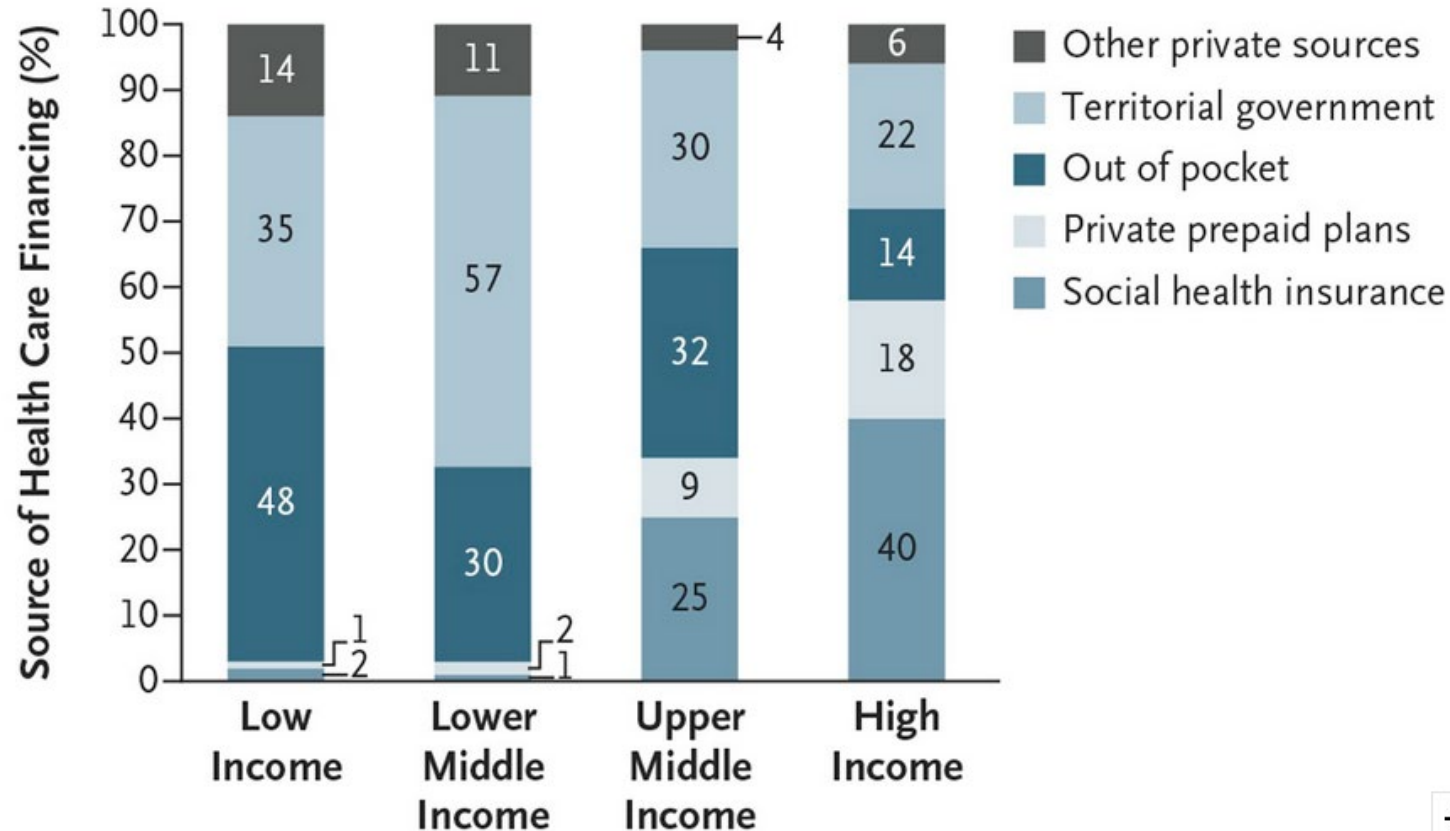




# Why invest here? - People



# Why Invest here? - Profit



+

Why invest here? - Profit

**ERGO**



# Why invest here? - Planet

- Lack of proper health care increases poverty and pressure on environment and natural resources
- Communities, countries, and the international system must come together to realize that investing in health is key to our shared future of our planet.



# Quantative Indicators

- How much money gets invested in the healthcare sector?
- How many people will get employed in the healthcare sector ?
- How many medical facilities can be constructed?
- How many treatments and preventions for infectious diseases can be created?



# Qualitative Indicators - Politics

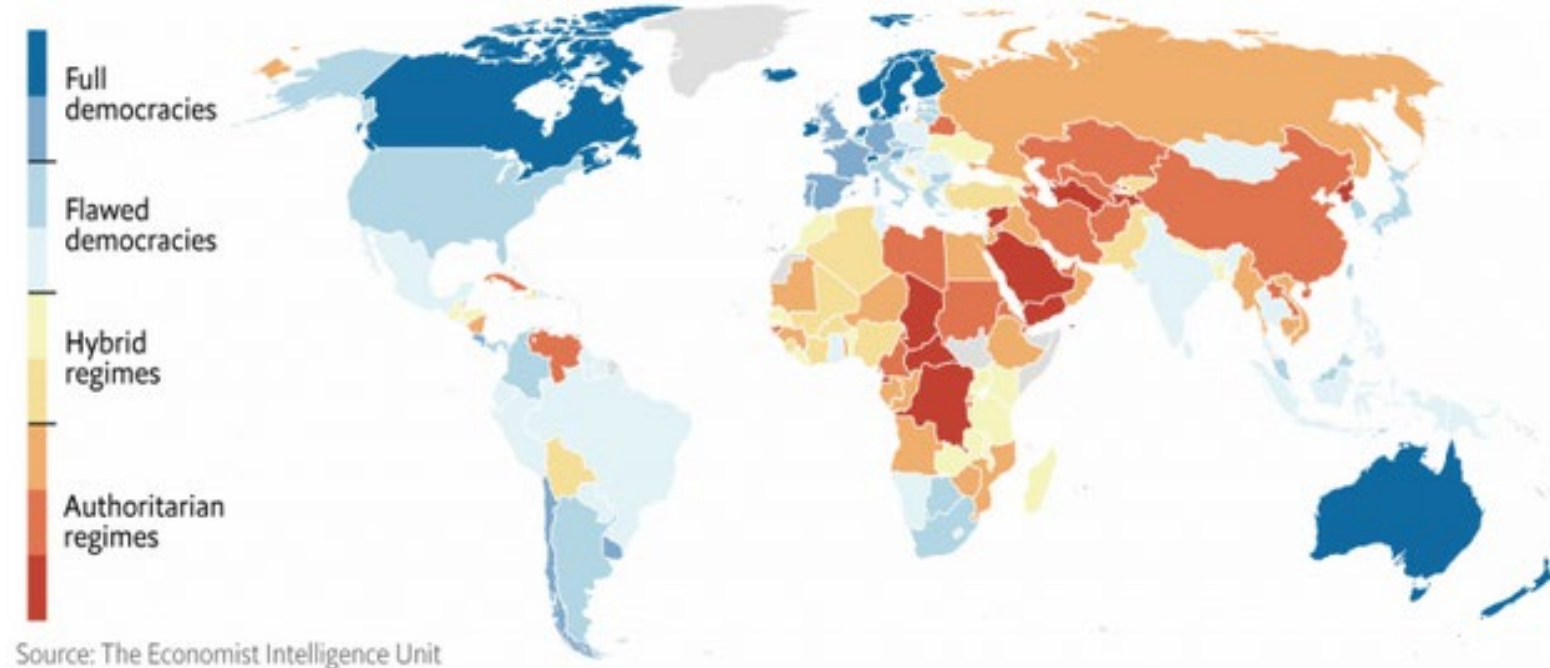
Which political forces benefits indirectly from this investments?



# Qualitative Indicators - Political

## The Economist Intelligence Unit's 2019 Democracy Index

167 countries scored on a scale of 0 to 10 based on 60 indicators



# Qualitative Indicators - Inequality

Which part of society is benefiting from this investment?



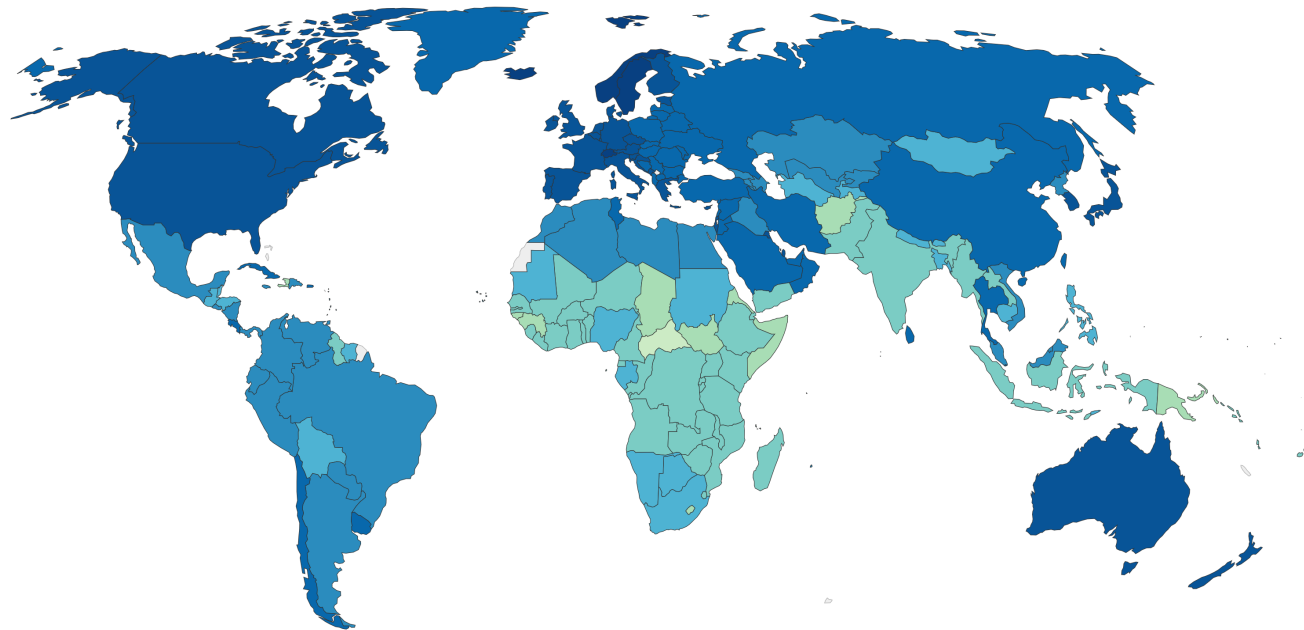


# Qualitative Indicators - Inequalities

## Healthcare Access and Quality Index, 2015

The Healthcare Access and Quality (HAQ) Index is measured on a scale from 0 (worst) to 100 (best) based on death rates from 32 causes of death that could be avoided by timely and effective medical care (also known as 'amenable mortality').

Our World  
in Data



# Investment Proposal



# Quantitative Indicators



- Initial deployment (2017): 28.44 Mio Euro
- Expected deployment (2019): 113.76 Mio EUR
- Provider of 665 beds, 8 hospitals within 4 provinces, a nursing college, emergency services and more



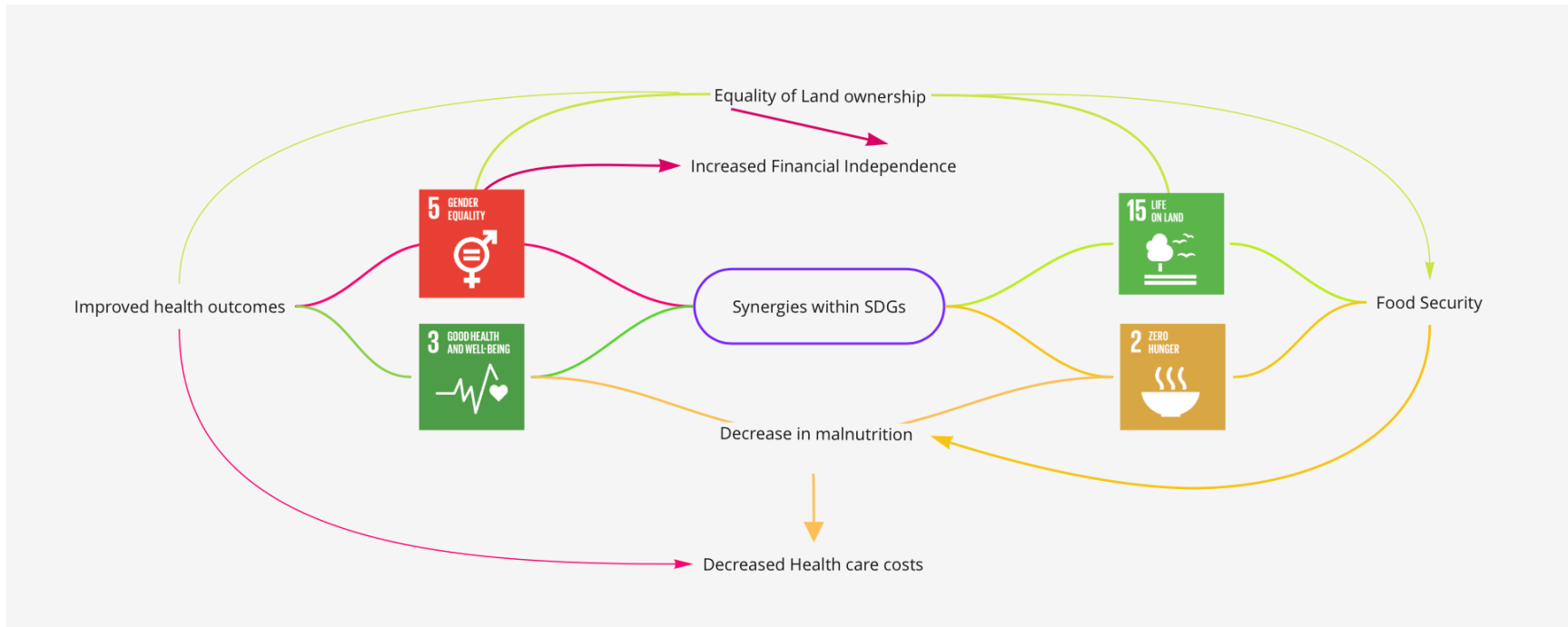
# Qualitative Indicators



- Target group are low and medium income people
- 100% Black-owned and entirely African
- High Amount of Women in Executive and Nonexecutive Directors
- South Africa with medium – good ratings



# Synergies



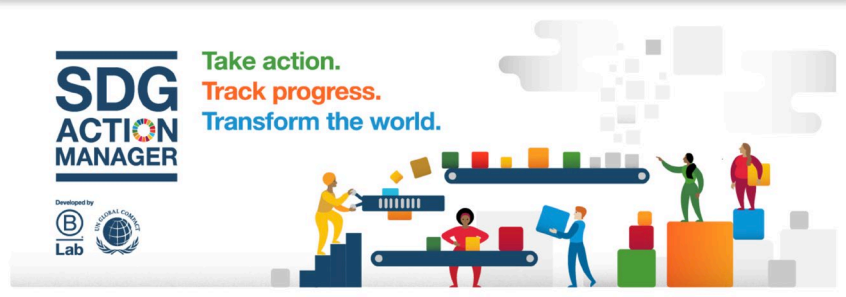
# Current Frameworks for incorporating ESG & SDGs in investment strategy



- Leading proponent in incorporating ESG issues into investment practice



- Developed by B Lab & the UN Global compact



# Certified B Corporations



**Certified**

**B**

**Corporation**

Certified B Corporations meet the highest standards of verified social and environmental performance, transparency, and accountability.

We are people using business as a force for good.



# Certified B Corporations

- only certification that measures a company's entire social and environmental performance.
- legally required to consider the impact of their decisions on their workers, customers, suppliers, community, and the environment.
- 500+ Bcorps pledge Net Zero by 2030
- Requires full financial transparency





# Case Study - Ecosia GmbH

## B Impact Report



Ecosia GmbH

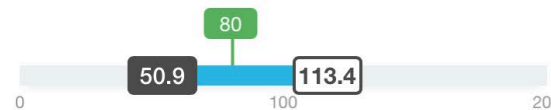
Web search service

**Certified Since:** April, 2014

Location: Berlin, Berlin, Germany

Sector: Service with Minor  
Environmental Footprint

### Overall B Impact Score ⓘ



The B Impact Scores are being compared against all businesses that have completed the B Impact Assessment



# Case Study - Ecosia GmbH

- Allows users to plant trees via web searches, by donating 80 percent of its surplus ad revenue.
- Has raised almost \$3 million for reforestation projects since its founding in December 2009.
- Empowering rural women in developing countries by enabling them to become financially independent through tree planting
- Improved Financial, Economic and Health & wellbeing outcomes



# Recommendations for Future Investment Strategies

- Use of available Qualitative & Quantitative measurement tools such as B Labs SDG Action Manager & the expansion of the use PRI for ESG implementation
- Diversification to a more broadly focussed Sustainability commitment which has a higher emphasis on Social Responsibility
- More strict Investment criteria, increased exclusion list
- Implementation of a dedicated SDG integration Team



# Discussion

We humbly welcome any questions...



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- Figure 2 , 3 and 4: Self Designed with Miro.io using data from <https://www.who.int/macrohealth/action/sintesis15novingles.pdf>
- Figure 5: <https://www.nejm.org/doi/full/10.1056/NEJMra11110897>
- Figure 6: [https://commons.wikimedia.org/wiki/File:ERGO\\_Kindlustusgrupi\\_logo.svg](https://commons.wikimedia.org/wiki/File:ERGO_Kindlustusgrupi_logo.svg)
- Figure 7: <https://www.economist.com/graphic-detail/2020/01/22/global-democracy-has-another-bad-year>
- Figure 8: <https://ourworldindata.org/grapher/healthcare-access-and-quality-index>
- Figure 9: <https://www.rhbophelo.co.za/>



# Figures

## Zero Hunger & Life on Land

- Figure 1: <https://> Keynote Paper: Qualitative measures of food insecurity and hunger
- Figure 2: Pérez-Escamilla, Rafael, & Segall-Corrêa, Ana Maria. (2008). Food insecurity measurement and indicators. *Revista de Nutrição*, 21(Suppl. ), 15s-26s. Retrieved March 26, 2021, from [http://www.scielo.br/scielo.php?script=sci\\_arttext&pid=S1415-52732008000700003&lng=en&tlng=en](http://www.scielo.br/scielo.php?script=sci_arttext&pid=S1415-52732008000700003&lng=en&tlng=en).
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## Synergies, Framework & Recommendations

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- Figure 2: PRI. <https://www.unpri.org/pri/what-are-the-principles-for-responsible-investment>
- Figure 3, 4 & 5: Bcorporation.net. <https://bcorporation.net>