

PartnerRe ESG Investment Policy

ESG in our Investment Strategy

PartnerRe is a long-term investor and believes the stewardship of our capital requires the consideration of ESG factors along with other risk and return analyses. Such scrutiny fosters stability for our balance sheet, benefiting all our stakeholders, and supports our goal of managing the impacts of climate change across our assets to build global resilience.

Managing the impact of climate change in the interest of building global resilience is a core principle at PartnerRe. We are committed to understanding the risks and opportunities from climate change, and to quantifying their impact on our business. We follow the IPCC consensus as input to our monitoring and management of climate change risk. The analysis of ESG factors is embedded into our investment policy and related processes and targets have been established to guide our efforts.

ESG Investment Policy


During 2022, PartnerRe achieved all its ESG Investment Targets including becoming a UN PRI (“Principles for Responsible Investment”) signatory through our new parent company, Covéa Coopérations S.A.’s, signatory status. For 2023, PartnerRe will report its assets as part of a single, consolidated group signatory status that is held by Covéa. In addition, we ended 2022 with a sustainable portfolio¹ of \$315million exceeding our \$300million target. In 2023, we will continue to strive to achieve our new ESG Investment Targets.

We seek to invest in industry ESG leaders and non-leaders that have significantly improving trajectories. We believe this approach is the best way to encourage all companies to expedite adaptation of their corporate strategies towards sustainability and institute ESG practices of the highest standard. Our investment process for internally managed assets considers ESG factors and scores obtainable from third party providers, during each investment and portfolio review. We seek to avoid investments in companies that are classified as ESG stragglers². Any investment in a high greenhouse gas emitting industry, subject to concerning ESG factors or ratings, is reviewed by credit analysts to determine if the expected investment return is acceptable versus the ESG profile of the specific investment and in the context of our overall portfolio ESG exposure.³ To fortify these efforts, we use third-party data providers to identify investments that are rated as ESG stragglers.

¹ “sustainable portfolio” for this purpose means, investments labelled as green, sustainable, social, or sustainably-linked.

² PartnerRe defines “ESG stragglers” as any issuance assessed by the Institutional Shareholder Services (“ISS”) and receiving an ESG Corporate Rating in the 9th decile or below.

³ PartnerRe follows Moody’s Investors Service to identify the following “high greenhouse gas” industries: power, auto, oil, gas, aviation, shipping, heavy duty vehicle, cement, and steel in an effort to mitigate transition risk.



A semi-annual positive screening is conducted for investments that are internally managed to confirm that, on an aggregate basis, our portfolios maintain a strong aggregate ESG rating.

Also on a semi-annual basis, negative screening is conducted on all internally managed assets to identify any exposure to ESG stragglers. We also negatively screen to determine the magnitude of overall investments in high greenhouse gas emission sectors, as an indicator of overall transition risk, and to confirm that our aggregate market risk exposure to these industries remains at conservative levels.

Carbon intensive assets may have rapid falls in valuation, potentially precipitated by diminished customer demand, investor interest and changing regulations. For internally managed assets, our credit analysts and portfolio managers consider the risk and reward dynamics associated with all investments, with a particular focus on carbon intensive investments. We ensure that our aggregate market risk exposure to these industries remains at tempered levels and support the rapid diminishment of thermal coal usage. PartnerRe does not make new investments in companies that generate more than 20% of revenues from (i) thermal coal mining or (ii) power generated by thermal coal. PartnerRe will not invest in issuers involved in the development and proliferation of controversial weapons⁴. When evaluating ESG factors for all new investments, we will consider alignment with the ten principles of the UN Global Compact⁵. A review of these standards is included in our semi-annual Negative Screening. As we enter into new and renewed agreements for assets managed by third parties, where we have the ability to define the investable universe, we will aim to ensure that our view with regard to ESG and sustainable business practices will be embedded within these agreements. We rely on external managers to provide stewardship on our behalf for the assets they manage. For internally managed assets, when given the opportunity, our credit analysts engage with investees on ESG issues, seeking to encourage strategies that increase sustainability and raise ESG standards. PartnerRe recognizes that both the transition to a low carbon global economy and an increased focus on all ESG factors generally presents opportunities. We are committed to continuing to seek opportunities to add to our Sustainable Portfolio (which is comprised of labelled ESG bonds, sustainably linked securities, investments that directly address climate change and/or investments that directly advance the United Nations Sustainable Development Goals)⁶.

⁴ PartnerRe defines “controversial weapons” to mean anti-personnel mines, biological and chemical weapons, cluster munitions, depleted uranium and white phosphorus.

⁵ PartnerRe uses a Norm-Based Research solution provided by ISS to assess a company’s alignment with the ten principles of the UN Global Compact.

⁶ Investments in PartnerRe’s “Sustainable Portfolio” may include green bonds, social bonds, sustainably linked securities, ESG or sustainably focused equities or impact investment funds, sustainable and social infrastructure assets or securities (e.g., affordable housing, health care facilities, student housing, renewables and clean transport), certified real estate (based on GRESB assessment) and third-party certifications (LEED, PREEAM, MINERGIE ®), ESG/Sustainable ETFs. PartnerRe measures its Sustainable Portfolio based on changes to its book value.

Overview of the current and target strategic ESG policies for PartnerRe's investments.

Current policy	Target policy
<p>We make no new investments in companies that generate more than 20% of revenues from thermal coal mining or in companies that generate more than 20% of their power from thermal coal.</p>	<p>By 2025, reduce market weight exposure to these investments to 0% (base year 2018).</p> <p>Continue to screen all internally managed portfolios on a semi-annual basis.</p> <p>Institute these limitations to all external managers when possible (at renewal of management agreements or onboarding new managers if the investment vehicle allows input).</p>
<p>We support the sustainable transformation of the global economy by investing in industry ESG leaders or non-leaders with significantly improving trajectories. For internally managed assets, we aim to avoid investments companies that we have classified as ESG stragglers. To fortify these efforts, we use third party data providers to identify investments that are rated as stragglers. Investment managers provide rationale for exposures to issuers with low ratings.</p>	<p>We conduct semi-annual positive screening of internally managed assets. Exposure to investments that are rated in the 9th decile and below will be targeted to < 1.0% of internally managed assets</p>
<p>We seek to exclude issuers involved in the development and proliferation of controversial weapons. When evaluating ESG factors we consider alignment with the ten principles of the UN Global Compact.</p>	<p>We exclude known issuers involved in the development and proliferation of controversial weapons, monitored with semi-annual negative screening.</p> <p>When investing, we consider the ten principles of the UN Global Compact, along with other credit and portfolio risks, and try to align our investment strategies to the principles.</p>
<p>Increase investments in Sustainable Portfolio.</p>	<p>Increase the Sustainable Portfolio (based on book value) to > \$850 million by December 31, 2023.</p>