

Opinion

We can't move mountains, but we can utilise potentials

"From Knowledge to Action" is a central objective of the newly created Munich Re Foundation, which went public on 7 April 2005. In an interview with Topics, the Chairman of the Munich Re Foundation, Thomas Loster, comments on the foundation's basic themes, projects and organisation.

Interview with Thomas Loster

Topics: In its anniversary year, Munich Re has set up a foundation. What were the reasons for this?

Thomas Loster: Munich Re had the idea of setting up a foundation to coincide with its anniversary some time ago. After 125 years of operating successfully around the globe, it wanted to give the world something back. However, we're not only geared to countries in which Munich Re has customers, but will in fact also be supporting people who aren't insured. Like every foundation, we're a non-profit organisation whose prime objective is to help the disadvantaged.

Topics: The foundation's motto is "From Knowledge to Action". What does this entail?

Loster: The foundation will be dealing with the global risks of population growth – for example urbanisation, poverty or the importance of water as a vital resource. Our aim is to support "humans at risk". Munich Re has an incredible breadth of knowledge in numerous fields and, ever since it was established in 1880, has concerned itself with how risks can be made viable. We want to translate this knowledge consistently into effective social action. Because a foundation can operate more freely than a profit-oriented company, we see good prospects for developing potentials and making them usable for many people.

Topics: What does this mean in concrete terms?

Loster: We'll be working at various levels. For a start, we'll be bringing the relevant experts from science, economics and politics around one table when it comes to finding solutions to problems for developing countries or sensible disaster prevention – and the "Munich Re Foundation" name will help us to do this. Here in particular, the much-quoted term "public-private partnership" needs to have more life breathed into it. Then we would like a Foundation Professorship at the University of the United Nations to investigate what people in different cultural circles really need. We often find that our understanding of their true needs is either incorrect or not pronounced enough, particularly where poor countries are concerned. Moreover, projects carried out locally, for example for the purpose of disaster prevention – and here you've only to think of areas in developing countries that are at risk from flooding – or for training and further training in the shanty towns of megacities, show that support for specific purposes can achieve a great deal.

Topics: What other projects will the foundation be supporting?

Loster: We'll generally be concentrating on several areas. Besides risk research, the emphasis will also be on risk communication and the raising of awareness. As a risk researcher with over 15 years' professional experience, I've learnt that being aware and taking the right action are of central importance when it comes to avoiding risk. The dreadful tsunami disaster in South Asia on 26 December 2004 showed this quite impressively. After the first wave, many people – locals and tourists alike – ran down to the sea to find out what was happening and to look for their belongings. The second, bigger wave then swept thousands and thousands to their deaths. If people had known that several enormous waves could be expected following a seaquake, a lot of suffering could have been avoided.



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Naturally, we in the foundation don't want to talk only about risks. We're also building up a fund to provide direct, straightforward help on the spot, so that in the event of a disaster we'll be able to provide support quickly, efficiently and unbureaucratically. In my head, I still have images of the Great Flood of 2000 in Mozambique, when helpless people waited on the roofs of their flooded houses but there weren't enough helicopters available to evacuate them – and the water continued to rise. I was very moved by that.

Topics: The foundation's prime aim is to support people in risk situations. But surely a company like Munich Re will want to benefit in some way from its commitment. What advantages could the foundation have?

Loster: Everyone who contributed to setting up the foundation greatly welcomed the initiative. The idea of new markets or products didn't come into it. That isn't the purpose of the foundation and wouldn't be compatible with pro bono work either. However, the credible corporate social responsibility strategy of a global company will certainly be seen in a positive light by the public at large and other important stakeholders. To this extent, the creation of the foundation and, we hope, its successful work, are likely to bring some sort of benefit to Munich Re.

Topics: Since 2001, Munich Re has appeared in the Dow Jones Sustainability Index, which lists the shares of companies that can show they have done something with regard to sustainability and social responsibility. Will Munich Re's ranking in this index improve as a result of the foundation?

Loster: The creation of a foundation probably doesn't have a direct effect on a company's ranking. But investors who consider sustainability and social commitment to be important will recognise the creation of the foundation as further evidence of the company's integrity in this important field. The importance of socially responsible investments has increased quite significantly in recent months and years. In some countries, greater and greater demands are being made, for example in the UK or in Switzerland. So the foundation only serves to underline what Munich Re has already been doing for decades as a responsible company. It has been committed for ages to supporting humans at risk.

Topics: Let's take a look now at the future. Where do you see the foundation in five years' time?

Loster: We'd be pleased if, after five years, our work was appreciated by our stakeholders – and these include Munich Re, of course. We can't move mountains, but if it turns out that we've really managed to bring about some changes and our work has prompted lasting solutions, that would be a good result. The acknowledgment that we had clearly been able to help many people in proven, imminent or latent risk situations would be fantastic.

Thomas Loster, who has a degree in geography, has been the Chairman of the "Munich Re Foundation – From Knowledge to Action" since 2004. Prior to that, he had worked for 16 years in Munich Re's Geo Risks Research Centre of Competence, where he was Head of Weather and Climate Research.