

2022 ESG MANDATES FOR INSURERS



As the Lloyd's market and insurers look to implement their own ESG mandates, most are now becoming focused on the ESG policies of their insureds. This is particularly true for greenhouse gas emitters, including companies operating in the energy sector. In 2022, insurers will be more closely scrutinizing the environmental goals of their insureds as they look to achieve their own net-zero targets.

Some of the questions to which energy companies may be expected to provide satisfactory answers include the following:

- 1 Has your company scientifically measured your greenhouse gas emissions for your scope 1, 2 and 3 activities?
- 2 Do you have an evidence-based plan to reduce scope 1 greenhouse gas emissions?
- 3 What operational performance benchmarks do you currently use to track greenhouse gas emissions and progress to reduce them?
- 4 What transition milestones have you identified in your plan?
- 5 Have you engaged with an independent third party to assist and verify your transition process?
- 6 What ESG frameworks are you utilizing?
- 7 Do you have an allocated budget for transition? What is this as a percentage of your CAPEX?
- 8 Do you have a nominated board member responsible for transition progress, and is it an ongoing agenda item for board meetings?
- 9 Is your company strategy aligned with your transition goals?

Anticipation of and early preparation for questions like those shown above may lead to a more successful renewal result. As your renewal date approaches, your Iridium team will be in contact with you to start the process of compiling relevant ESG data in order to best address the concerns of underwriters.

LET US HELP YOU MANAGE YOUR RISK

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