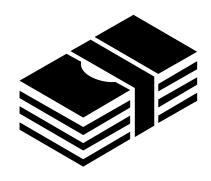
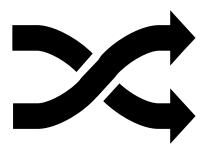


A broker's view on ESG (focussing on the E) usage in insurance



Learning from the asset management community



Industry understanding is nascent and still divergent

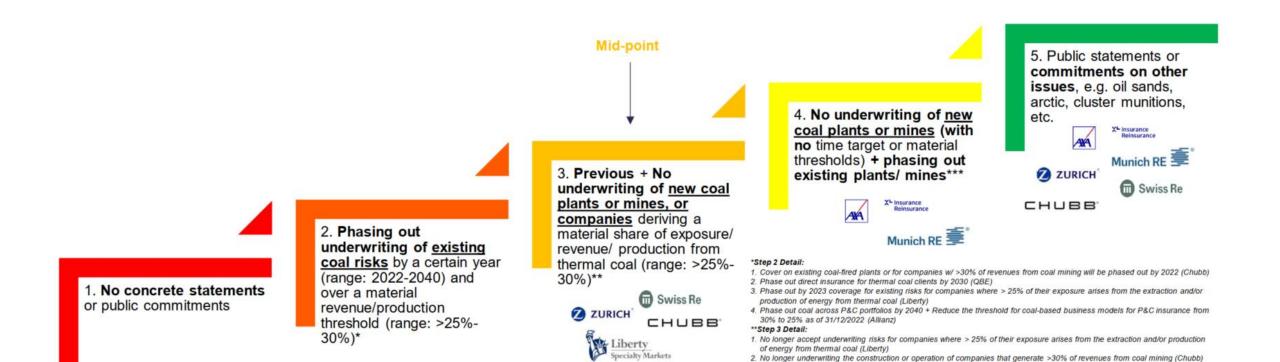


Where models exist, black-boxes tend to be adopted



We are left with insureds being frustrated and confused

Challenges for the Insured in the absence of a standardised approach



Allianz (III)

Source: Lloyd's Sustainable Markets initiative, January 2022

3. No longer underwrite companies that generate >30% of their revenue from mining thermal coal, or produce >20m tons of

4. Not to (re)insure businesses with > 30% exposure to thermal coal. Exception: for transactions located in low- and middle-

2. Property covers for existing coal power plants and coal mines are also banned. This does not apply to the least developed

has no access to electricity. In such countries, cases are analysed on the basis of clear criteria (Munich Re)

income countries that derive >70% of electricity from coal, existing power plants can be covered until 2025 if there is evidence

5. From 2018 no longer provide insurance to single coal-fired power plants or coal mines, that are operational or planned (Allianz)
***Step 4 Detail:
1. The development of new coal capacity is strictly banned by not providing Construction covers (D&F) for any new coal plant and

In single risk business, no insurance cover of new coal-fired power plants or new coal mines in industrialised countries, or in the majority of emerging markets, with some exceptions in countries where a substantial portion of the population (more than 10%)

thermal coal per year, or generate >30% of their electricity from coal (Zurich)

new coal mine. No regional or client exceptions (Axa)

countries in the world, according to UN classification (Axa)

that the insured is implementing an effective emission reduction strategy (Swiss Re)

beazlev

AQBF

How the Insurance market can support an orderly and just transition





The provision of insurance capacity and finance capital can act as a force for good, helping businesses committed to a low carbon future



Recognizes Progress

Organisations have peace of mind that they have continued access to capacity and capital as they shift towards low carbon business models



Independent Accreditation

A company's transition plan is assessed as to whether it aligns to the Paris Agreement. Insurers and Fls know who have robust commitments to transitioning